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## FOREWORD BY

# THE EXECUTIVE MAYOR



This document is the result of various Municipal interactions with its key stakeholders, both internally and externally. It reflects the Municipal successes and the challenges faced during the 2010/2011 financial year.

As a new Council, we are embarking on a new 5 year plan, which will serve as a roadmap to our destination of a "Stable living environment and sustainable living conditions for all citizens". We will built on the successes of the past and face the challenges head-on to ensure better services to all in the Langeberg.

We all need to work together to achieve the objectives that will ultimately lead us to our vision of delivering a stable living environment and sustainable living conditions for all citizens. We intend focusing on our eleven key strategic outcomes that will serve as the foundation on which Langeberg Municipality will be able to realise its vision. Our strategic objectives are:

1. Sustainable Integrated Human Settlement
2. Sustainable Civil Engineering Infrastructure Services
3. Energy efficiency for a sustainable future
4. Provide safe and efficient Road Network
5. Promote Public Safety
6. Provide a Clean Environment
7. Social and Community Development

8. Growth and Economic Development
9. Sound Financial Management
10. Institutional Development and Corporate Governance
11. Good Governance

Our objectives will also help us to drive National Government's agenda of job creation, enhancing its infrastructure and ensuring that all citizens in our area have access to the basic services they require.

Our objectives will also assist us in achieving the Western Cape's vision of **"Open opportunity society for all"**.

Our Slogan of **"People at the centre of development"** is embedded in the underlying values: Integrity, honesty, transparency, accessibility and accountability.

With effective leadership, clearly defined strategies and our shared vision we can achieve the success for all our communities within the Langeberg Municipality.

Cllr D Gagiano  
Executive Mayor

## INTRODUCTION BY

## THE MUNICIPAL MANAGER



Once again it is time for us to report on the successes and challenges faced and account for the administrative performance of the Langeberg Municipality during the 2010/2011 financial year.

**HOUSING**

From a housing point of view, approximately 298 subsidised low cost RDP houses were build. This performance is a significant improvement from the 211 houses that were delivered in the 2009/10 financial year. Still, we are faced with a huge backlog and demand for houses. With various housing projects planned (Human Settlement Plan) for all towns in the Langeberg region, we trust that in 2011/12 even more progress will be made toward addressing housing needs. The Municipality will also undertake to address the issue regarding the rectification of poorly constructed houses as a matter of urgency.

**ELECTRICITY SERVICES**

To alleviate pressure on indigent people, the National Government has implemented the regulation for the provision of free basic electricity. In line with this policy, the Langeberg Municipality provides 50 free units of electricity to indigent households.

Keeping in line with the minimum standard of service delivery, which requires that a basic infrastructure to be in place to allow

the community access to electricity and the provision of basic lighting, the Municipality has implemented numerous projects and programmes to ensure sustainable provision of electricity to approximately 20 000 households in the Langeberg area.

**COMMUNITY FACILITIES**

During the 2010/11 financial year we witnessed the construction of the Congmanskloof Pavilion in Ashton to the value of almost R1.6 mil. Upgrading to the value of R450 000 of the Nkqubela Community Hall also took place and we trust and believe that members of the community will take pride in these facilities and ownership so that they will be well maintained and taken care of. The building of a Thusong Centre has also commenced and this R4.5 mil project will bring government services closer to the people of the Langeberg region.

**ENVIRONMENTAL SERVICES**

We are particularly proud of the installation of a weigh bridge at the Material Recovery Facility (MRF). An applicable support services at the recycling plant ensure that accurate statistics are kept of incoming and outgoing waste quantities, which will be invaluable to strategic developments in future.

With the completion of the weigh bridge the Ashton landfill site was officially opened on

25 November 2010. Hereafter the two-bag system were rolled out in the entire Langeberg Municipal area and is now fully functional. The Waste Transfer Stations in Robertson and Montagu were also completed and projects will be initiated in the 2011/12 financial year.

Approval was granted for a new landfill site and the acquisition of an appropriate site is currently underway. In the 2011/12 financial year the Municipality will also focus on implementing wheelie bins and further reduction of waste to the landfill by means of further education and awareness of the importance of recycling.

**FINANCIAL SERVICES**

The Langeberg is proudly financially stable and has shown a debt recovery of more than 98% during this year. The Municipality has also received an unqualified report for the 2009/2010 financial year and trust that it will achieve this standard again after the audit of the 2011/12 financial year is completed.

The Municipality is also currently supporting 6185 households with indigent grants which is 407 more than during the 2009/2010 financial year.

**COMMUNICATION**

During 2010/2011 we have experienced the full integration of the new name and logo of the Municipality and distanced with the previous Breede River Winelands. The new name and logo took its rightful place and we witnessed the name Langeberg Municipality grow to become everybody's name and logo.

We also introduced a new more user-friendly and effective website and although additional work is still required, the structure is now in place. The Municipal Newsletter also received a new look and it is our goal to distribute on a monthly basis instead of quarterly.

For the future of communication, the Municipality will strive to communicate with the public more frequently basis and therefore will extent the capacity of the communications team.

The Langeberg Municipality had a good year and once again maintained a positive service delivery record. We will continue in our efforts to provide infrastructure, basic service delivery and sustainable economic growth with people at the centre of development.



## OVERVIEW OF THE TOWNS OF THE LANGEBERG MUNICIPALITY

"The municipal area consist of 333 452 km<sup>2</sup> which includes the towns Ashton, Bonnievale, McGregor, Montagu, Robertson and the surrounding rural areas."



### MCGREGOR

The village of McGregor was built in 1861. At that time the population totaled 50. In 1894, a village management board was established and in 1907 the village became a municipality. McGregor was originally known as Lady Grey, but the name was changed in 1905, to avoid confusion with Lady Grey near Aliwal North. It was renamed in honor of the Rev Andrew McGregor, who had been the Dutch Reformed Church minister of the Robertson District for forty years.



### ASHTON

With the completion of the railway line from Worcester to the coastal regions in 1887, the trading post, Roodewal became a railway

station. Shortly afterwards it was renamed Ashton, in honor of Job Ashton, director and railway engineer of the New Cape Central

Railways (Ltd). For several years the settlement only consisted of a railway station, warehouse, hotel, post office, butchers, a little school, one shop and a few houses. During 1939 and 1940 extraordinary growth took place with the opening of the Langeberg Co-operative, resulting in the farmland being divided into plots. The development received a further boost with the establishment of a second canning factory in 1949. In 1956 Ashton gained municipal status.

### BONNIEVALE

In 1902 a railway halt was constructed between Robertson and Swellendam which was named 'Vale'. In 1917 the halt received full status as a railway station and was then called Bonnievale. In 1922 a village management board was elected. The town received full municipal status in April 1953.

### MONTAGU

Montagu, once known as 'Agter Cogman's Kloof', lies between the Keisie and KIngna Rivers. The only exit to the West was through Cogman's Kloof, and strong teams of horses or oxen were needed for the journey. John Montagu, the British Secretary of the Cape Colony based in Cape Town in the 1850s, envisaged the potential of the Cape Colony, but realized that it could never develop without efficient transport and communications. Montagu was aided by pioneering road engineers to create passes through the mountain barriers. Through his efforts, the country could be developed agriculturally and he became a popular figure. In tribute to him the village was officially named Montagu in 1851 and he traveled there to 'baptize' the town.

It is not known when the springs were discovered, but early trekkers followed the course of rivers and some camped in the vicinity of present-day Montagu. They drank the clear, strange-flavored water, found it wonderfully refreshing and traced its course through the Kloof where they discovered the hot springs. News of the healing waters spread quickly and many visitors

began to visit the area. The springs form part of the now popular Montagu Baths.

The Keisie is currently a major fruit-producing valley. However, the rural community is amongst the poorest in the region. Another challenge for the valley is sufficient water supplies to support any further development. Because the economy of the area depends largely on agriculture people are subject to seasonal income. Living standards are lowered to a large extent during the off-peak season. Problems within agriculture, such as the closure of production plants and factories, as well as surpluses in the wine industry, contribute to the poverty situation. The region's potential for tourism is well-known and recent studies have highlighted various options for development in this regard. It forms part of the well-known Route 62.

### ROBERTSON

Robertson was founded in 1853 and was named after Dr. Robertson, then pastor at Swellendam.

Robertson is one of the largest wine-producing regions in the Republic: its most famous product is dry white table wine. Because of the area's relatively low rainfall, there is intensive irrigation. About 25 km of irrigation canals, leading from the Langeberg Municipality, carry water that is pumped by electricity as far as Montagu. Robertson is South Africa's first irrigation district. Although the rural area is much larger than the urban areas, the majority of the population resides in urban areas. As the agriculture sector is currently experiencing economic difficulties, it is envisaged that more people will move to urban areas to seek employment. The spatial implication of this is that the residential need in the towns will increase with subsequent pressure on resources such as water and energy. Land needs to be identified for small-scale farmers. The area is characterized by low rainfall and therefore water is a fairly scarce commodity. Currently, rural and urban uses compete for this commodity.

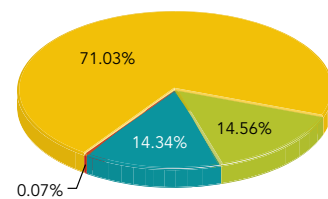
## Demographic Profile

### INFORMATION ON INDIVIDUALS

Population (2001 census survey):

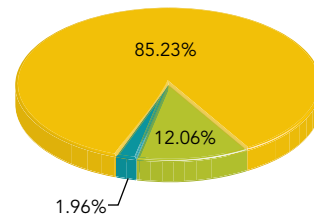
The demographic profile of the Langeberg Municipal Area:

**Figure 1.1:  
POPULATION**



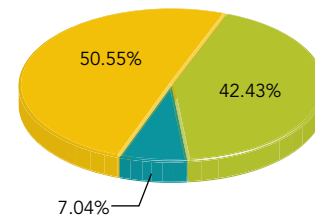
Colored	57 730
Black	11 829
White	11 655
Indian/Asian	57
<b>Total</b>	<b>81 271</b>

**Figure 1.2:  
LANGUAGES**



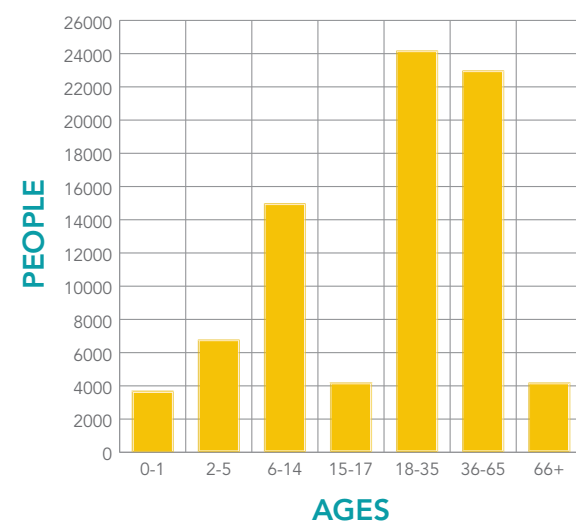
Afrikaans	
Xhosa	
English	

**Figure 1.3:  
LABOUR MARKET  
STATUS: Age 15-65**

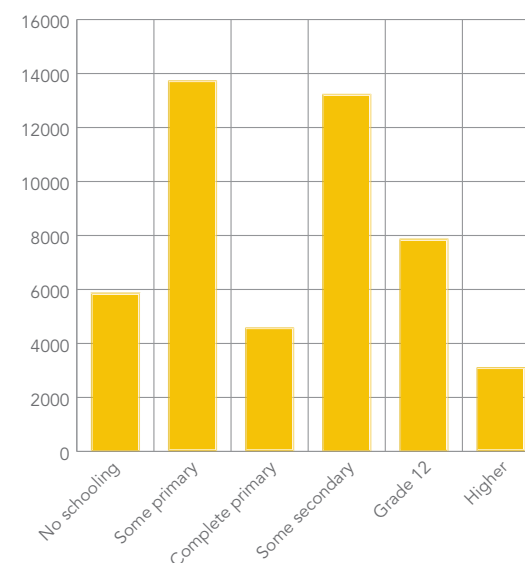


Employed	26 123
Not economically active	21 939
Unemployed	3 642
<b>Total</b>	<b>51 704</b>

**Figure 1.4: AGE GROUPS**



**Figure 1.5: SCHOOLING**



## 2 SERVICE DELIVERY HIGHLIGHTS

This chapter highlights the high-level performance of Langeberg Municipality with respect to the program and priorities outlined in the Integrated Development Plan (IDP) and the Service Delivery Budget and Implementation Plan (SDBIP).

Moreover, this chapter reports on key performance areas reflected in the Millennium Development Goals, Local Government Turn Around strategy priorities and Local Government Key Performance Areas.

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## BASIC SERVICE DELIVERY

The National Key Performance Area Basic Service Delivery is linked to the Municipal Key Performance Area - Municipal Infrastructure and Basic Services (MIBS). The IDP Objectives linked to Basic Service Delivery are spread over Sustainable and quality living environment with efficient infrastructure and improve quality of life and social well being, Deliver quality basic services; and effectively respond to the Housing needs of the community.

### Overall Performance for the year

KPI name and unit of measurement		Baseline		Target	Actual Performance	Corrective Measures
1	Maintenance of halls & facilities - % of maintenance budget of halls and facilities spend	95		95.00%	97.24%	
2	Maintenance of graveyards - % of maintenance budget of graveyard spend	95		100.00%	96.69%	
3	Maintenance of graveyards - Development and implementation of maintenance for graveyards.	0		100.00%	100.00%	
4	Maintenance of halls and facilities - Development and implementation of maintenance for halls and facilities.	0		95.00%	100.00%	
5	Maintenance of recreational areas - % of maintenance budget of parks spend.	95		95.00%	97.01%	
6	Maintenance of recreational areas - % of maintenance budget of swimming pools and sport grounds spend.	95		95.00%	80.47%	
7	Maintenance of recreational areas - Development and implementation of maintenance plan for parks	0		100.00%	100.00%	
8	Maintenance of recreational areas - Development and implementation of maintenance plan for swimming pools and sports fields.	non existing formal maintenance plan		100.00%	100.00%	
9	Develop and implement a comprehensive law enforcement strategy - % of the targets reached in terms of the traffic strategic plan.	existing strategy		85.00%	0.00%	This is a target set in the new Financial year. The report is in its infancy stages.
10	Effective fire brigade service - % of fire brigade service that meets prescribed standards (SANS 10090)	100		100.00%	60.00%	A new fire brigade truck will be acquired and volunteers has been nominated to the dept to be trained
11	Review of the fire protection plan - Annual revision of the fire protection plan for the municipality.	100		100.00%	100.00%	
12	Reviewed disaster management plan - Disaste management plan to be reviewed by the end of June.	100		100.00%	100.00%	
13	Effective functioning of sport forums - Number of forum meetings per annum within budget.	400		4.00	11.00	
14	Number of wards with no recreational areas - % of capital budget spend on the upgrading of recreational areas(play parks)	95		95.00%	99.92%	
15	Upgrading of sports facilities - % of capital budget spent on the upgrading of sport facilities	95		95.00%	70.01%	The construction of the Pavillion in Zolani will be built in this year. R600 000 has been allocated to this project which has not been started on.
16	develop of maintenance plan for refuse removal - % of maintenance plan executed.	0		100.00%	100.00%	



KPI name and unit of measurement		Baseline		Target	Actual Performance	Corrective Measures
17	effective capital spending - % spent on approved waste management capital projects.	95		95.00%	47.85%	The transfer stations in Montagu, which was allocated R800 000, only R76 075 had been spent. This financial year this will be done.
18	improvement of refuse sites capacity - % improvement based on budget	15		21.00%	5.39%	The targets were set having the volume of recyclable waste in mind. A weighbridge was acquired during the year, which measures the mass of recyclable waste(paper, glass, plastic and cardboard). Next year targets will be set using a mass instead of a percentage.
19	maintenance of refuse removal assets - % of approved maintenance plan executed,	95		95.00%	100.00%	
20	maintenance of refuse removal assets - % of maintenance budget of refuse removal spent.	95		95.00%	96.96%	
21	Percentage of households that meet agreed waste removal service standards(at least once a week)-formal areas	95		100.00%	100.00%	
22	Percentage of households that meet agreed waste removal service standards(at least once a week)-informal areas	95		100.00%	100.00%	
23	Effective capital spending - % spent of approved electricity capital projects.	100		100.00%	80.74%	The delay in the housing projects has caused this and will be rectified when the housing projects are completed
24	Improvement of electricity distribution capacity based on % capital spent. % of improvement of the electricity distribution according to the budget allocation and prioritised projects according to the 5 year capital master plan.	100% of budget spend		100.00%	80.74%	The delay in the housing projects has caused this and will be rectified when the housing projects are completed
25	maintenance of electricity assets - % of maintenance budget of electricity spent	100		100.00%	92.28%	Spending as per maintenance plan. Correct reporting in new Financial Year
26	maintenance of street lights- Maintenance as per schedule	100		100.00%	77.07%	We will strive to spend all allocated funds in the new Financial Year on maintenance .Spending of Maintenance budget is spend as thing breaks or becomes redundant
27	New electricity connections - % of new electricity connections applications met.	7		100.00%	55.00%	Due to the delay in the completion fothe RDP houses , not all units could be electrified. Will be completed in the 2011/2012 Financial Year
28	Percentage electricity losses - KW billed/ KW used by municipality	100		7.00%	6.19%	
29	% of households that meet agreed service standards(connected to the national grid) formal areas - % of households achieving agreed service standards	100		100.00%	100.00%	Formal housing have access to formal connections on water , sewerage and electricity. Evidence is physically going around to all houses within our area
30	% of households that meet agreed service standards(connected to the national grid) informal areas - % of households achieving agreed service standards	100		100.00%	100.00%	In informal settlement the following services are provide:Communal toilets and water taps. Waste remoal takes place weekly
31	effective capital spending - % spent of approved municipal roads capital projects.	100		100.00%	66.39%	MIG has allocated R2 730 770, for repair of the flood damage. Of this amount only R266 637 has been spent. This will be done in the new financial year.
32	km of new road for previously un-served areas- % roads serviced according to the budget allocation and prioritised maintenance plan.	100		100.00%	100.00%	Only new roads was included in the calculation
33	effective capital spending - % spent of approved waste management capital projects.	99		100.00%	98.64%	

KPI name and unit of measurement		Baseline		Target	Actual Performance	Corrective Measures
34	Improvement of sanitation system capacity - % improvement based on % of budget.	4.3			There was no performance given/ reported	
35	Maintenance of sanitation assets - % of maintenance budget of sanitation spent	100		100.00%	93.87%	
36	Maintenance of storm water assets - Maintain storm water assets once per term.	Monthly reporting to council on maintenance of stormwater and streets/roads		4.00	4.00	
37	Percentage of households that meet agreed sanitation service standards(at least VIP on site)formal areas	100		100.00%	100.00%	
38	Percentage of households that meet agreed sanitation service standards(at least VIP on site) informal areas	100		100.00%	100.00%	
39	Quality of waste water discharge	90		90.00%	53.00%	
40	Effective capital spending - % spent of approved water capital projects.	99		100.00%	99.24%	
41	Excellent water quality - % water quality level as per SABS 0241 standards.			90.00%	70.00%	Closer working relations with DWARF to assist with providing quality water that adheres to required standards
42	Improvement of water purification system capacity- improved sufficient supply of quality drinking water	Existing supply, but not sufficient for all the wards		100.00%	57.00%	The following improvements were made <b>Montagu:</b> New settling tanks to capacity of 6 megalitre per day <b>Bonnievale:</b> New settling tank and filters to capacity of 2 megalitre per day <b>Ashton:</b> New pressure filter system to capacity of 7.3 megalitre per day <b>Robertson:</b> Upgrade/ rehabilitate 3 rapid filters to capacity of 5.25 megalitre per day. Upgrade/capacity = 20.55/36.0 = 57%
43	Maintenance of water assets - % of maintenance budget of water spent	100		100.00%	97.94%	
44	New water connections - % of requests for new water connections.	100% of requests received		100.00%	100.00%	
45	Percentage of house holds that meet agreed servicestandards (cleaned piped water 200m from household) - Formal areas - % of households achieving agreed sevice standards.	100		100.00%	99.90%	
46	Percentage water losses - KL billed/KL used by municipality. % losses to be less than 28%	20		15.00%	12.59%	
47	No of households receiving free basic electricity	5278		6000.00	6595	
48	Quantum of free basic electricity received (indigent)	50KWH		60.00	50 kWH	
49	No of households that receive free basic refuse removal- no. of households.	527800%		6000.00	6595	
50	Quantum of free basic refuse received.- R value of per month per household.	64		68.00	68.00	
51	No. of households that receive free basic sanitation-no. of households	5500		6000.00	6526	
52	Quantum of free basic sanitation received - R value per month per household.	8400		89.00	89.00	
53	No of households that receive free basic water - no of households	5278		6000.00	6,424.00	



KPI name and unit of measurement		Baseline		Target	Actual Performance	Corrective Measures
54	Quantum of free basic water received - KL per month per household.	6		6.00	6.00	
55	% of house holds that meet agreed standards( all existing informal settlements to be formalised with land use plans for econ and social facilities and with the provision of permanent basic services)-----% of households that meet standards	100%		100.00%	0.00%	The Municipality is awaiting the availability of land for the purposes of developing it. All households (low cost) have the neccessary basic services
56	Implementation of Integrated Human Settlement Strategy.	Existing Human strategy		100.00%	66.90%	Slow delivery due to the the usage of emerging contractor , in the 2011/2012 Financial Year we went out on tender and are in the process of appointing an implementing agent to take responsibility for the buliding of houses within our area



## GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The National Key Performance Area Good Governance and Public Participation is linked to the Municipal Key Performance Area Improvement of Communication and Stakeholder Management (IC). The IDP Objective linked to Good Governance and Public Participation is Strengthen public confidence through effective stakeholder management.

KPI Name	Unit of Measurement	Baseline	Overall Performance for the Year			Corrective Measures
			Target	Actual	R	
Approval of adjustments budget	Approval of adjustments budget before legislative deadline	Approved in February	100%	100%	G	
Approval of Main budget	Approval of Main budget before legislative deadline	Budget approved by the end of May	100%	100%	G	
Approval of SDBIP	Approval of SDBIP before legislative deadline	SDBIP approved 28 days after the approved budget	100%	100%	G	
Effective functioning of committee system	No of sec 79 committee meetings per committee per annum	11	11	8	R	
Effective functioning of council	No of council meetings	11	11	11	G	
Effective functioning of ward committees	No of ward committee meetings per ward per annum	11	11	8	R	
Annual performance reporting	Annual report and oversight report of council submitted before legislative deadline	Annual report submitted yearly by the 31st of January	100%	100%	G	
Effective communication with communities	Review of communication strategy by June 2011	Existing Communication Strategy	100%	100%	G	
Functional Internal Audit unit	Approved Risk based audit plan by 30 June 2011	Approved risk based audit plan	100%	100%	G	
Functional performance audit committee	No of meetings of the performance audit committee	Council resolution to combine Audit Committee and Performance Audit Committee	4	4	G	

KPI Name	Unit of Measurement	Baseline	Overall Performance for the Year			Corrective Measures
			Target	Actual	R	
IDP and sectoral plans aligned with Spatial development plan	% alignment (as determined by the Province)	Service provider appointed to review the SDF	100%	100%	G	
IDP endorsed by all wards	No of ward committees endorsing IDP	10	10	10	G	
IDP endorsed by community organisations and stakeholders as local social compacts	% of community organisations and stakeholders endorsing IDP	Complete public participation process followed	100%	100%	G	
IDP to include all required sectoral plans	No of required sectoral plans included	IDP reviewed annually	8	8	G	
Improved good governance	% Implementation of anti-corruption policy	A workshop will be held during June to discuss the implementation of the policy	100%	100%	G	
Institutional Performance management system in place	No of S57performance agreements signed on time	5	5	5	G	
Reviewed IDP	IDP reviewed by 31 March Annually	Annually reviewed	100%	100%	G	
Strengthen role of communities	No of ward based development plans completed by the end of November	9	10	10	G	
Citizen satisfaction survey conducted	Develop an action plan by the end of March 2011 to address the matters identified in the survey	76%	1	1	G	
Reaching of employment equity targets	% of targets reached	91%	91.00%	71.46%	O	
Spatial development plan aligned with PSDF and PGDS	Final approval of the SDF by October 2010	Existing SDF approved in 2004	1	1	G	

## LOCAL ECONOMIC DEVELOPMENT

The National Key Performance Area Local Economic Development is linked to the Municipal Key Performance Area Local Economic Development. The IDP Objective linked to Local Economic Development is Create a basis for Local Economic Development.

KPI Name	Unit of Measurement	Baseline	Overall Performance for the Year			Corrective Measures
			Target	Actual	R	
Employment through job creation schemes	No of temporary jobs created (people)	376	500	627	G2	
Enhancement of economic development	Number of beneficiaries (small businesses) that are included in sustainable initiative (skills development business training and tourism development)	88	100	524	B	
Reviewed and aligned LED strategy	LED strategy reviewed by 25 February 2011	LED approved in 2005	100%	0%	R	

## MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

The National Key Performance Area Municipal Transformation and Institutional Development is linked to the Municipal Key Performance Area Transformation of the Administration. The IDP Objective linked to Municipal Transformation and Institutional Development is Organizational transformation and the development of the administration and strengthening of the corporate governance practices.

KPI Name	Unit of Measurement	Baseline	Overall Performance for the Year			Corrective Measures
			Target	Actual	R	
Effective and up to date By-laws	No of By-laws revised by the end of June 2011 where required and necessary and within budget constraints	2 By-laws revised	100%	100%	G	
Effective and up to date HR policies	Revision of HR policies annually where required and when necessary by the end of June 2011	8 policies were reviewed and approved	2	7	B	
Effective labour relations	No of meetings of the LLF	5	4	3	O	
Targeted skills development	The percentage of budget spent on implementing its workplace skills plan	0.70%	0.70%	0.94%	G2	

## MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

The National Key Performance Area Municipal Financial Viability and Management is linked to the Municipal Key Performance Area Sound Financial Management. The IDP Objective linked to Municipal Financial Viability and Management is Practice Sound Financial Management.

KPI Name	Unit of Measurement	Baseline	Overall Performance for the Year			Corrective Measures
			Target	Actual	R	
Effective SCM system	% Successful appeals against the municipality	0%	0%	0%	G	
Improvement in conditional grant spending - capital	% of total conditional capital grants spent	99%	100%	87%	O	
Clean audit	% of Root causes of issues raised by AG in AG report addressed	Unqualified audit report	100%	100%	G	
Compliance of the asset register with GRAP	Compliance in terms of GRAP 16,17 and 102 as reported in the AG report	Existing asset register	100%	90%	O	
Financial Viability	Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure				N/A	
Financial Viability	Debt coverage ((Total operating revenue- operating grants received)/debt service payments due within the year)	1814%	18.00%	7.06%	R	
Financial Viability	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	11%	11.00%	9.61%	O	
Improved revenue collection	% Debt recovery rate	97%	97.00%	88.38%	O	
Improvement in conditional grant spending - operational	% of total conditional operational grants spent	100%	100.00%	79.30%	O	
Preparation of financial statements	Financial statements submitted on time	Unqualified audit report	100%	100%	G	
Updated indigent register for the provision of free basic services	Update indigent register on a monthly basis	Updated register is maintained	100%	100%	G	



# 3 HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

## HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

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# HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

## PERSONNEL SERVICES

Personnel Services form an integral part of the Corporate Services and Langeberg Municipality service delivery success. Operational efficiency and professionalism is of utmost importance on how the department is managed and functions. The department is responsible for the following key areas:

## RECRUITMENT AND SELECTION

During 2010/11 financial year, the municipality made twenty four (24) new appointments compared to 101 new appointments in the 2009/10 financial year. In this financial year 95.8% of the appointments came from within the Langeberg Municipal area compared to 94.05% in the 2009/10 financial year.

The breakdown and representation regarding the appointments are as follows:

**Table 3.1**

Category	Target 2008/09	Actual 2008/09	Target 2009/10	Actual 2009/10	Target 2010/11	Actual 2010/11
Coloreds	50%	56.7%	50%	51.5%	50%	66.6%
Africans	30%	35.5%	30%	34.7%	30%	25%
Whites	20%	7.8%	20%	13.8%	20%	8.4%
Employees with Disabilities	4%	2%	4%	1.9%	4%	0%

**Table 3.2: New appointments per employment equity categories: 2010/2011**

Directorate	African	Colored	Indian	White	Total	Female	Male
Infrastructure Development	0	1	0	0	1	1	0
Community Services	2	8	0	1	11	2	9
Chief Financial Officer	3	5	0	0	8	3	5
Corporate Services	1	1	0	0	2	2	0
Municipal Manager's Office	0	1	0	1	2	1	1
Total:	6	16	0	2	24	9	15

**Table 3.3: New appointments per employment equity categories: 2009/2010**

Directorate	African	Colored	Indian	White	Total	Female	Male
Infrastructure Development	15	24	0	5	44	2	42
Community Services	12	16	0	8	36	14	22
Chief Financial Officer	4	6	0	1	11	5	6
Corporate Services	2	4	0	0	6	4	2
Municipal Manager's Office	2	2	0	0	4	3	1
Total: 2009/10	35	52	0	14	101	28	73



### Employee Wellness

Two hundred and sixty (260) employees attended a HIV/AIDS awareness programme during the 2010/2011 financial year.

### VACANCY RATE

The vacancy rate decreased to 5.6% in 2010/11 compared to 5.7% the previous financial year. Systems are in place, employees know what is expected from them and employees have realized the importance of protecting their jobs.

**Table 3.4: Vacancies per Job Category**

Directorate	Total	Legislators, senior officials and managers	Clerks	Technicians and associate professionals	Craft and related trade workers	Elementary occupations
Infrastructure Development	26	2	2	4	7	11
Corporate Services	5	1	0	2	0	2
Chief Financial Officer	4	1	1	1	1	0
Community Services	21	1	1	2	6	11
Municipal Manager's Office	1	0	0	1	0	0
Total: 2010/11	57	5	4	10	14	24
Total: 2009/10	23	4	0	8	6	5
Total: 2008/09	65	9	8	15	12	21

### EMPLOYMENT EQUITY

**Table 3.5: Total employment equity statistics per directorate as at June 2011**

Directorate	African	Colored	Indian	White	Total	Female	Male
Infrastructure Development	62	154	0	42	258	23	235
Community Services	84	163	0	26	273	92	181
Chief Financial Officer	17	33	0	14	64	30	34
Corporate Services	10	28	0	10	48	31	17
Municipal Manager's Office	3	4	0	8	15	10	5
Total:2010/11	176	382	0	100	658	184	474
Total: 2009/10	186	396	0	101	683	182	501
Total: 2008/09	171	386	0	93	650	172	478

### SKILLS DEVELOPMENT

The Skills Development Plan was compiled in April 2011 and approved during June 2011 as prescribed by legislation.

For the year under review, 2010/11, the Langeberg municipality trained 243 compares to 202 employees in 2009/10 and 229 employees in the 2008/2009 financial year.

A total of R 1038741.39 in 2010/11 was paid for Skills levy compare to R 759 897.70 the previous financial year, of which 50% was claimed back. This translates to a total of R 519370.95 in 2010/11 compared to R 379 948.85 in 2009/10.

**Table 3.5: Training per Job Category**

Directorate	Total	Legislators, senior officials and managers	Clerks	Technicians and associate professionals	Craft and related trade workers	Elementary occupations	Professionals
Infrastructure Development	117	0	28	2	46	41	0
Corporate Services	29	0	15	0	2	4	0
Chief Financial Officer	20	0	20	0	0	0	0
Community Services	85	0	6	5	28	39	7
Municipal Manager's Office	0	0	0	0	0	0	0
Total: 2010/11	243	0	69	7	76	84	7
Total: 2009/10	202	13	36	2	37	114	0
Total: 2008/09	229	11	61	10	10	137	0

### Skills Development Budget

Below is information indicating the quantum of municipal budget allocated to skills development and the percentage spent.

**Table 3.6**

Financial Year	Budget	Expenditure	Percentage Spent
2010/2011	580000.00	407786.22?	70
2009/2010	580000.00	541587.87	93
2008/2009	580000.00	507926.00	88
2007/2008	580000.00	232147.00	45
2006/2007	490000.00	327906.00	67

### INDUCTION

Twenty one (21) newly appointed employees went through a one-day induction course compared to Eighty (80) employees in the last financial year. The decrease is attributed to the decrease in available vacancies. The induction covered the following courses:

- All Human Resources processes and procedures
- All Labour relations processes and procedures
- Organization's mission and values
- Organizational structure
- Legislative environment
- Clean administration rules
- Training and development
- Safety in the workplace
- Work ethics
- Batho Pele Principles

## HUMAN RESOURCES POLICIES

These are the Human Resources policies implemented by the Langeberg Municipality:

- Employment equity
- Recruiting & selecting
- Private work
- Temporary workers
- Long service recognition
- Travel & subsistence allowance
- Smoking
- HIV/AIDS
- Payment of pro rata bonuses
- Traveling of personnel between towns – re-location allowance
- Exit interviews
- Induction
- Drug & alcohol abuse
- Payment policy
- Employee assistance program
- Retirement planning
- Incapacity – poor work performance
- Overtime
- Internal bursaries
- Mentoring policy
- Code of Conduct on Political Activities of Municipal Employees
- Policy on Motor Vehicle Traveling Allowance scheme

## PERSONNEL EXPENDITURE

Trends of Personnel Expenditure to Operating Expenditure (last five financial years).

**Table 3.7**

Financial Year	Salaries	Expenditure	Percentage
2010/2011	R109 961 174	342 486 975	32.10%
2009/2010	R95,449,951	301,614,167	31.65%
2008/2009	R77,273,859	243,160,641	31.78%
2007/2008	R69,212,825	194,122,257	35.65%
2006/2007	R58,212,401	179,078,541	32.51%

## PROMOTIONS

Information on the number of employees promoted during the last financial year.

**Table 3.8:**

Directorate	Number of Promotions 2008/09	Number of Promotions 2009/10	Number of Promotions 2010/11
Infrastructure Development	16	14	1
Community Services	9	6	2
Chief Financial Officer	6	1	0
Corporate Services	0	0	0
Municipal Manager's Office	2	1	0
Total	33	22	3

Employees at the municipality do not get promoted automatically. All internal employees must apply for posts as they get advertised.

## SECTION 57 PERFORMANCE BONUSES

The evaluation of performance for Section 57 managers forms the basis for rewarding outstanding performance. Performance bonuses were paid in line with the 2006 Regulations suggested in terms of Local Government Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to the Municipal Managers of 2006.

**Table 3.9:**

Name	Designation	Bonus Amount 2008/09	Bonus Amount 2009/10	Bonus Amount 2010/11
Mr. J. de K. Jooste	Infrastructure Development	R59 674.66	R58 164.84	R113 819.00
Mr. M. J. Mhlom	Community Services	R59 674.66	R58 164.84	R113 819.00
Mr. C. F. Hoffmann	Chief Financial Officer	R59 674.66	R64 627.60	R113 819.00
Mr. A. W. J. Everson	Corporate Services	R77 577.06	R64 627.60	R113 819.00
Mr. S. A. Mokweni	Municipal Manager	R103 854.39	R104 440.31	R137 200.00
Total Bonuses		R360 455.43	R350 025.19	R592 476.00

**Table 3.10: Arrears owed to Council by Staff/Council/Directors/Managers:**

Category	Amount 2008/09	Amount 2009/10	Amount 2010/11
Councilor Consumer Account Arrears	R860.67	R0.00	R0.00
Councilor Arrear Arrangements	R0.00	R0.00	R0.00
Councilor Accounts in Disputes	R0.00	R0.00	R0.00
Staff Arrears (Directors & Managers)	R0.00	R0.00	R0.00
Other Staff	R94 441.53 (R52 201.36 Land sales incl.)	R0.00	R132974.09 (R66 845 Land sales included)

Note: Details are contained in the Financial Statements Chapter 4.

**PENSION FUNDS:**

The following pension and/or retirement funds are used in the municipality:

- SALA Pension Fund
- Cape Retirement Fund
- Cape Joint Pension Fund
- SAMWU Provident Fund
- Municipal Councillors Pension Fund

**MEDICAL AID SCHEMES**

Employees are able to choose from the following Medical Aid Funds:

- BONITAS
- HOSMED
- Key Health
- LA Health
- SAMWU Med

**LEARNERSHIPS AND BURSARIES**

16 Learnerships were recorded in 2010/11 compared to 27 recorded Learnerships in 2009/2010 financial year and 22 in 2008/2009 financial year. The municipality granted 19 internal bursaries in comparison to 25 internal bursaries 2009/10 and 20 in 2008/2009.

**Table 3.11: Bursaries per Directorate**

Directorate	Number of Beneficiaries 2008/09	Number of Beneficiaries 2009/10	Number of Beneficiaries 2010/11
Infrastructure Development	4	2	3
Community Services	6	12	2
Chief Financial Officer	7	6	8
Corporate Services	1	3	4
Municipal Manager's Office	2	2	2
Total	20	25	19

**NUMBER OF EMPLOYEES:**

The following table reflects the number of staff per category for the last three financial years.

**Table 3.12**

Category	No. of Employees (2007/08)	No. of Employees (2008/09)	No. of Employees (2009/10)	No of Employees (2010/11)
Legislators, senior officials, and managers	32	34	36	36
Clerks	70	85	116	74
Technicians and associate professionals	110	107	92	119
Craft and related trade workers	92	115	123	149
Elementary occupations	306	309	316	280
Total:	610	650	683	658

**Table 3.13: Staff Category per Directorate**

Directorate	Total	Legislators, senior officials and managers	Clerks	Technicians and associate professionals	Craft and related trade workers	Elementary occupations
Infrastructure Development	258	13	16	33	75	121
Corporate Services	48	5	20	2	5	16
Chief Financial Officer	64	2	41	13	8	0
Community Services	273	11	36	22	61	143
Municipal Manager's Office	15	5	6	4	0	0
Total: 2010/11	658	36	119	74	149	280
Total: 2009/10	683	36	116	92	123	316

**LABOUR RELATIONS**

The function of this department is to manage labour relations matters and to deal with occupational health and safety in the municipality.

**Table 3.14**

Labour Relations issue	Number of Cases: 2009/10	Number of Cases: 2010/11
Misconduct	82	89
Dismissals	13	6
Suspensions	9	4
Total Cases	104	109

Incidents/accidents recorded and/or investigated during 2010/11 are as follows:

**Table 3.15**

Directorate	Number of cases
Infrastructure Development	23
Community Services	44
Chief Financial Officer	3
Corporate Services	0
Office of the Municipal Manager	0
Total: 2010/11	70
Total: 2009/10	56
Total: 2008/09	53

## GOVERNANCE AND INSTITUTIONAL ARRANGEMENTS

This section of the annual report explains the framework of the institutional structures and resources that the Council established during the 2010/2011 financial year so as to implement its strategies.

### COUNCIL STRUCTURE

The relationship between the Council's different political structures is as follows:

**Table 3.16: Council Members: 1 July 2010 – 21 May 2011**

RAADSLEDE/COUNCILLORS	POLITIEKE PARTY/POLITICAL PARTY
Rdl/Cllr J. Adams	DA - DEMOKRATIESE ALLIANSIE
Rdl/Cllr J. D. Burger	DA - DEMOKRATIESE ALLIANSIE
Rdl/Cllr M. M. Carelse-Snyman	ANC - AFRICAN NATIONAL CONGRESS
Rdl/Cllr R. H. de Jong	DA - DEMOKRATIESE ALLIANSIE
Rdl/Cllr L. H. de Koker	DA - DEMOKRATIESE ALLIANSIE TILL 3 MAY 2011
Rdl/Cllr M. W. H. du Preez	ANC - AFRICAN NATIONAL CONGRESS
Rdl/Cllr G. J. Fielies	ANC - AFRICAN NATIONAL CONGRESS
Rdl/Cllr C. J. Grootboom	PDM - PEOPLE'S DEMOCRATIC MOVEMENT
Rdl/Cllr HF Mangenengene	OD - ONAFHANKLIKE DEMOKRATE FROM 21 JULY 2011
Cllr/Rdl M. P. Janse	ANC - AFRICAN NATIONAL CONGRESS
Rdl/Cllr A. N. Mhlambeni	ANC - AFRICAN NATIONAL CONGRESS
Rdl/Cllr E. N. Mpokotye	ANC - AFRICAN NATIONAL CONGRESS
Rdl/Cllr S. J. Ngonyama	ANC - AFRICAN NATIONAL CONGRESS
Rdl/Cllr W. S. Nyamana	ANC - AFRICAN NATIONAL CONGRESS
Rdl/Cllr O. C. Simpson	WCC - WESTERN CAPE COMMUNITY PARTY
Rdl/Cllr J. Thomson	DA - DEMOKRATIESE ALLIANSIE
Rdl/Cllr T. M. van der Merwe	OD - ONAFHANKLIKE DEMOKRATE TILL 17 MARCH 2011
Rdl/Cllr S. W. van Eeden	DA - DEMOKRATIESE ALLIANSIE
Rdl/Cllr P. A. Bothman	OD - ONAFHANKLIKE DEMOKRATE TILL 13 APRIL 2011
Rdl/Cllr E. J. Vollenhoven	ANC - AFRICAN NATIONAL CONGRESS

**Table 3.17: Council Members: 21 May 2011 – 30 June 2011**

RAADSLEDE/COUNCILLORS	POLITIEKE PARTY/POLITICAL PARTY
Rdl/Cllr D Gagliano	DA
Rdl/Cllr K Meyer	COPE
Rdl/Cllr EMJ Scheffers	DA
Rdl/Cllr NP Crouwcamp	CI
Rdl/Cllr SW Van Eeden	DA
Rdl/Cllr JD Burger	DA
Rdl/Cllr TS De Koker	DA
Rdl/Cllr CJ Grootboom	PDM
Rdl/Cllr DB Janse	DA
Rdl/Cllr R Johnson	ANC
Rdl/Cllr RR Kortje	DA
Rdl/Cllr DA Hull (Speaker)	DA
Rdl/Cllr J Kriel	DA
Rdl/Cllr SP Mafilika	ANC
Rdl/Cllr NJ Mgoqi	ANC
Rdl/Cllr AN Mhlambeni	ANC
Rdl/Cllr WS Nyamana	ANC
Rdl/Cllr DJ September	CI
Rdl/Cllr OC Simpson	WCC
Rdl/Cllr E Turner	DA
Rdl/Cllr JDF Van Zyl	DA
Rdl/Cllr EJ Vollenhoven	ANC
Rdl/Cllr EM Zwedala	ANC

### MAYORAL COMMITTEE MEMBERS: 1 JULY 2010 – 21 MAY 2011



Councillor  
John Ngonyama  
*Executive Mayor*



Councillor  
Christopher  
Grootboom



Councillor  
Errol  
Vollenhoven



Councillor  
Owenite  
Simpson



## MAYORAL COMMITTEE MEMBERS: 21 MAY 2011 – 30 JUNE 2011



Councillor Daniela Gagliano  
Executive Mayor



Councillor Kendry Meyer  
Deputy Mayor



Councillor Nicolin Croucamp  
Member of MAYCO



Councillor Eric Scheffers  
Member of MAYCO



Councillor Schalk van Eeden  
Member of MAYCO

## EXECUTIVE MANAGEMENT

The Executive Management team is the key force behind the achievement of the municipality's strategic goals. During 2010/2011 the administration implemented the macro design illustrated below.

Mr. S. A. Mokweni – Municipal Manager  
Mr. M. J. Mhlom – Director Community Services  
Mr. J. de K. Jooste – Director Infrastructure Development  
Mr. C. F. Hoffmann – Chief Financial Officer  
Mr. A. W. J. Everson – Director Corporate Services

## Executive Management Organogram:



## SECTION 79 PORTFOLIO COMMITTEES AND CHAIRPERSONS

These were the portfolio committees and chairpersons during the past financial year.

**Table 3.18: Portfolio Committees as at 18 May 2011**

Committee	Chairperson
Corporate Services	Cllr E. J. Vollenhoven
Finance	Cllr C. J. Grootboom
Infrastructure Development	Cllr S. J. Ngonyama
Community Services	Cllr O. C. Simpson
Housing	Cllr W. S. Nyamana

## SECTION 79 PORTFOLIO COMMITTEES AND CHAIRPERSONS: 21 MAY 2011 – 30 JUNE 2011

**Table 3.19**

Committee	Chairperson
Corporate Services	Cllr D. Gagiano
Finance & Economic Development	Cllr E.M.J. Scheffers
Community Services	Cllr N.P. Crouwcamp
Infrastructure Development	Cllr S.W. Van Eeden
Housing & Planning	Cllr K. Meyer
Governance	Cllr D Gagiano

## PORTFOLIO COMMITTEE MEETINGS AND ATTENDANCE 2008/09, 2009/10 AND 2010/11

**Table 3.20**

Meetings	2008/09	% Attendance	2009/10	% Attendance	2010/11	% Attendance
Portfolio Committee Meetings	39	83%	50	66.95%	37	78%
Mayoral Committee Meetings	12	92%	10	81.25%	11	71%
Special Mayoral Committee Meetings	0	---	5	---	0	---
Council Meetings	12	91%	11	85.83%	9	92%
Special Council Meetings	4	86%	5	78%	5	88%

## OFFICE OF THE SPEAKER

Cllr M. W. H. Du Preez was the speaker of the council from 1 July 2010 to 21 May 2011. The role of the speaker was then taken over by Cllr D.A . Hull from 21 May 2011 to 30 June 2011.

The function of the Speaker is to:

- Ensure that there is an attendance register at the constituents' meetings and that it is signed so as to monitor the election process.
- Explain the roles and responsibilities of ward committees and their members at the meeting.
- Explain the election process to the participants.
- Call for nominations for committee members and for seconders to sign the appropriate forms.
- Count the votes and announce the results.
- Ensure that the elected ward committee members are aware of their roles and responsibilities and appropriate forms are signed.

## WARD COMMITTEES

The council had ten (10) wards till 21 May 2011 and twelve (12) wards from 21 May 2011 and they are appointed for a period of five (5) years. Each ward committee has approximately ten members.

The role of the ward committees is:

- To recognise excellence in ward committees that go beyond their standards to ensure that the community's voice is heard.
- To improve and encourage the commitment of ward committee members.
- To measure the extent of functionality and overall community participation in matters of local government.
- To encourage and enable ward committees to learn from each other so as to raise the overall standards.

**Table 3.21: Ward Committee and Chairperson: 1/7/2010 till 21/05/2011**

Ward Committee	Chairperson
1,Robertson	Cllr.JD Burger
2,Robertson(Nkqubela)	Rdl.S.W.Nyamana
3,Robertson	Cllr.M.M.Carelse-Snyman
4,Bonnievale	Cllr.E.J.Vollenhoven
5,McGregor	Cllr.G.J.Fielies
6,Montagu	Cllr.M.W.H.Du Preez
7,Montagu	Cllr.J.Thomson
8,Bonnievale	Cllr.S.W.van Eeden
9,Ashton	Cllr.J.Adams
10,Ashton(Zolani)	Cllr.N.E.Mpokotye

**Table 3.22: Ward Committee and Chairperson: 21/5/2011 till 30/06/2011**

Ward Committee	Chairperson
1,Robertson	Cllr. JD Burger
2,Robertson(Nkqubela)	Cllr. S Mafilika
3,Robertson	Cllr. E Turner
4,Bonnievale	Cllr.RR Kortjé
5,McGregor	Cllr. DA Hull
6,Robertson	Cllr. DB Janse
7,Montagu	Cllr. J Kriel
8,Bonnievale	Cllr.S.W.van Eeden
9,Ashton	Cllr.TS De Koker
10,Ashton(Zolani)	Cllr. ME Zwedala
11,Ashton (Farms)and Montagu	Cllr. JDF Van Zyl
12.Montagu	Cllr.EMJ Scheffers

### COUNCILLOR ATTENDANCE OF WARD COMMITTEE MEETINGS

- An attendance register forms part of Ward Committee agendas
- Ward Committee meetings are monitored on a regular basis by the Speaker, Manager General Administration and Ward Committee Coordinator. The attached table represents the ward committee meetings held as from July 2010 till April 2011.
- Ward committee meetings are scheduled on a monthly basis and Special Meetings occur as requested by ward councillors. A total of 84 ward committee meetings were held during the 2010/2011 financial year as to the 97 ward committee meetings in 2009/2010 financial year due to the fact that ward committee meetings for December 2011 were suspended by the Speaker and the term of office for ward councillors have ended May 2011.

**Table 3.23: Ward Committee Meetings and Schedule: July 2010 –April 2011**

Ward	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
1	Y	Y	Y	Y	Y	N	Y	Y	Y	Y
2	Y	N	N	Y	Y	N	Y	Y	Y	Y
3	Y	Y	Y	Y	Y	N	Y	Y	Y	Y
4	Y	Y	Y	Y	Y	N	N	N	Y	Y
5	Y	Y	Y	Y	Y	N	N	Y	Y	Y
6		Y	Y	Y	Y	N	Y	Y	Y	Y
7	Y	Y	Y	Y	N	N	Y	Y	Y	Y
8	Y	Y	Y	Y	N	N	Y	Y	Y	Y
9	Y	Y	Y	Y	N	Y	Y	Y	Y	Y
10	Y	Y	Y	Y	N	Y	Y	Y	Y	Y

- Council approved a decision whereby PR-Councillors are deployed to all 10 ward Committees.

Ward based Plans were conducted in all ten wards as from October 2010 till November 2010 and a total of 23 ward community meetings were held during the 2010/2011 financial year as to 20 ward community meetings in the 2009/2010 financial year.

**Table 3.24: Ward Committee Meetings**

Wyke/Ward	Datum/Date	Lokaal/Venue	Tyd/Time	Personneel /Personnel
1& 3	09/10/2010	Civic Hospitaallaan	08h00 tot 14h00	Messrs Coetzee/Brönn and Mss Jansen, Richards Liemens
4&9	30/10/2010	Happy Valley	08h00 tot 14h00	Messrs Coetzee/Brönn and Kortje Ms L Jansen
6&7	6/11/2010	Willem Thyslaan	08h00 tot 14h00	Messrs Coetzee/Brönn Mss Swanepoel and Fikizolo
8	20/10/2010	Bonnievale Munisipaliteit	18h00 tot 21h00	Messrs Coetzee/Brönn and Mr.Kortje
2	04/10 2010	Nkqubela Community Centre	18h00 till 21h00	Mr.J Mfutwana and Me.Kahla
10	20/10/2010	Zolani Community Hall	15h00 till 19h00	Mr. Mfutwana and Ms Fikizolo
5	27/09/2010	McGregor Kantoor	18h30 tot 21h00	Messrs Coetzee/Brönn and Jansen

**Table 3.25: Representative Forums: Till 21 May 2011**

Name of the Forum	Councilor
Economic Development	Cllr E. J. Vollenhoven
Governance and Intergovernmental Relations	Cllr S. J. Ngonyama
Human Resources Management	Cllr E. J. Vollenhoven
Municipal Finance	Cllr C. J. Grootboom
Municipal Services	Cllr G. J. Fielies
Social Development	Cllr O. C. Simpson

**Table 3.26: Representative Forum from 21 May 2011**

Name of the Forum	Councilor
Economic Development	Cllr R.R. Kortjé
Governance and Intergovernmental Relations	Cllr D.A. Hull
Human Resources Management	Cllr D.B. Janse
Municipal Finance	Cllr E.M.J. Scheffers
Municipal Services	Cllr T.S. de Koker
Social Development	Cllr E. Turner



## CORPORATE GOVERNANCE: PUBLIC PARTICIPATION: IMBIZOS

### Municipal Imbizo's

The council has accepted a Mayoral Imbizo Capital Budget Spending Programme in October 2010 to present information on what was done during the 2009/2010 Financial Year and what will be done in the 2010/2011 financial year as per programme below:

**Table 3.27: Imbizo's: October 2010**

Date	Ward	Town	Time	Venue
05/10/2010	1	Robertson	19h00	Civic Centre
12/10/2010	2	Nkquebela	19h00	Community Hall
05/10/2010	3	Robertson	19h00	Civic Centre
14/10/2010	4	Bonnievale	19h00	Happy Valley
18/10/2010	5	McGregor	19h00	Municipal Office
07/10/2010	6	Montagu	19h00	Willem Thys
07/10/2010	7	Montagu	19h00	Willem Thys
14/10/2010	8	Bonnievale	19h00	Chris Van Zyl
11/10/2010	9	Ashton	19h00	Barnard
06/10/2010	10	Zolani	19h00	Community Hall

### Budget Imbizo:2010/11-2012/13

During the month of March 2011, information and consultative meetings were held in all ten wards. Community Liaison Workers assisted in the distribution of flyers and load hailing with the Traffic Department in all ten wards. All the interested organisations and the individuals of all sectors were invited to attend the above-mentioned scheduled meetings per ward.

**Table 3.28:**

Date	Day	Ward	Town	Venue	Time
01-Mar-11	Tuesday	6	Montagu	Willem Thys	19:00
02-Mar-11	Wednesday	7	Montagu	Hofmeyer	19:00
03-Mar-11	Thursday	10	Zolani	Community Hall	19:00
07-Mar-11	Monday	9	Ashton	Barnard Hall	19:00
08-Mar-11	Tuesday	8	Bonnievale	Chris v Zyl Hall	19:00
09-Mar-11	Wednesday	4	Bonnievale	Happy Valley	19:00
10-Mar-11	Thursday	5	McGregor	Municipal Offices	19:00
14-Mar-11	Monday	1	Robertson	Town Hall	19:00
16-Mar-11	Wednesday	3	Robertson	Community Hall	19:00
17-Mar-11	Thursday	2	Nkqubela	Community Hall	19:00

## COMMUNITY LIAISON WORKERS

### Roles of the CLWs

The Langeberg Municipality has embraced the use of effective CLWs to strengthen participative democracy in the municipality.

**Table 3.28: CLWs and ward allocations.**

Name and Surname	Town/Area	Ward Deployed
Ms.Octavia Richards Liemens	Robertson	1 & 3
Ms.Lindiwe Kahla	Bonnievale	4 & 8
Ms. Nandipha Fikizolo	Zolani and Nkquebela	10 & 2
Mr.Johannes Jansen	McGregor	5
Ms.Charmain Swanepoel	Montagu	6 & 7
Ms. Lucrecia Jansen	Ashton	9

## PERFORMANCE MANAGEMENT COMMITTEE

The Municipal Systems Act 32 of 2000 requires the Langeberg Municipality to establish a performance management system that is commensurate with its resources; best suited to its circumstances; and in line with the priorities, objectives, indicators and targets contained in its integrated development plan.

In addition, Section 67 (1) (d) makes it mandatory for the municipality to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration in respect of the monitoring, measuring and evaluating of the performance of staff members.

The purpose of linking performance to financial reward is to focus the executive management on the successful implementation of the Municipal Integrated Development Plan (IDP) and to increase overall organizational motivation and efficiency. The system is designed to reward superior performance.

For the purpose of evaluating the annual performance of the Municipal Manager, the panel was composed of the following members:

- Executive Mayor: Sonwabo John Ngonyama
- Councilor: Owenita Simpson
- Councilor: Errol Vollenhoven
- Councilor Christopher Grootboom
- Municipal Manager: Dr. Kabanyane (Drakenstein Municipality)
- Dr. Ben Van Rensburg (Internal Audit Committee: Chairperson)
- Themba Jack: ex officio member and Consultant



For the purpose of evaluating the annual performance of Directors, the panel was composed of the following members:

- Executive Mayor: Sonwabo John Ngonyama
- Municipal Manager: Soyisile Andreas Mokweni (Langeberg Municipality)
- Councilor: Owenita Simpson
- Councilor: Errol Vollenhoven
- Councilor Christopher Grootboom
- Municipal Manager: Dr. Kabanyane (Drakenstein Municipality)
- Dr. Ben Van Rensburg (Internal Audit Committee: Chairperson)
- Themba Jack: ex officio member and Consultant

The annual performance evaluations were conducted on 11 November 2009. Accordingly, the table below depicts the results of the evaluations and the recommended bonuses to be paid against the assessment results. These are submitted for Council approval.

### OVERSIGHT COMMITTEE

MFMA Circular Number 32 recommends the establishment of an oversight committee for the detailed analysis and review of the annual report(s), following their tabling in Council, receiving and reviewing representations made by the public, inputs from other councillors and Council Portfolio Committees and then drafting an oversight report that may be taken to the full Council for discussion.

In terms of MFMA Circular Number 32, in order to approve the Annual Report without reservations, the Council should be able to agree that the information contained in the report is a fair and reasonable record of the performance of the municipality in the financial year reported upon. Approval means that the executive and administration have discharged in full, their accountability for decisions and actions and that their performance meets the criteria set by performance objectives and measures and is also acceptable in the community.

The oversight committee convened on the 18 November 2010 and 18 February 2011 to consider the Annual Report and recommended that the Council approve the annual report without reservations.

### Members

Cllr R. de Jong	-	Democratic Alliance (DA)
Cllr S. W. Nyamana	-	African National Congress (ANC)
Mr T. Van der Merwe	-	Independent Democrats (ID)

### INTERNAL AUDIT

Langeberg Municipality's Audit Committee was established on 1 August 2006 and members were appointed for a period of 3 years under the terms of Section 166 (1) of Act 56 of 2003 – Local Government: Municipal Finance Management Act, 2003.

The Audit Committee is responsible for the oversight of internal controls, financial reporting and compliance with regulatory matters.

During 2010/2011 the Audit Committee had (3) members. The third member was appointed during August 2010. The Committee convened (4) meetings compared to 5 meetings in 2009/10 financial year.

**Table 3.29: Audit Committee Members and Attendance:**

Audit Committee Members	Number of Meetings: 2009/10	Committee Member Attendance	Number of Meetings: 2010/11	Committee Member Attendance
Dr B van Rensburg Chairperson:	5	Attended 5	4	4
Mr P Dreyer,	5	Attended 5	4	4
Mr JJ Mostert,	-	-	4	3

### BYLAWS

The following bylaws were adopted:

- Water by-law in August 2010

### ANTI-CORRUPTION AND ANTI-FRAUD

The municipality does not have a dedicated or responsible person for anti-corruption and fraud prevention, however the Executive Management Team collectively take responsibility for the function.

The Council has approved a Fraud Prevention Plan. Workshops were held on 29 and 30 June 2010 by the department: Cooperative Governance and Traditional Affairs with the Municipal Manager, Directors and Managers in relation to the implementation of Fraud Prevention Plans.

It can be mentioned that the following are done to prevent fraud:

- Setting an ethical culture.
- Provide training to employees.
- Put policies and procedures in place (for example the Disciplinary Code and Supply Chain Management Policy).
- Provide physical security for buildings.
- Carry out employee vetting before employees are appointed.

The following are being done to detect fraud:

- An internal audit unit has been established.
- Management take steps against fraudulent actions.
- Risks have been identified by Directors and the Internal Audit department.
- An audit committee has been established and it has approved the internal audit plan.

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I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 70 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

S A MOKWENI  
MUNICIPAL MANAGER



## GENERAL INFORMATION

<i>Nature of Business</i>	Langeberg Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)
<i>Country of Origin and Legal Form</i>	Langeberg Municipality is a South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)
<i>Jurisdiction</i>	The Langeberg Municipality includes the following towns and surrounding rural areas: Ashton Bonnievale McGregor Montagu Robertson
<i>Municipal Manager</i>	SA Mokweni
<i>Chief Financial Officer</i>	CF Hoffmann
<i>Registered Office</i>	Langeberg Municipality; 28 Main Road; Ashton; 6715
<i>Auditors</i>	Office of the Auditor General (WC)
<i>Principle Bankers</i>	ABSA PO Box 4453 Tygervally 7536
<i>Relevant Legislation</i>	Municipal Finance Management Act (Act no 56 of 2003) Division of Revenue Act The Income Tax Act Value Added Tax Act Municipal Structures Act (Act no 117 of 1998) Municipal Systems Act (Act no 32 of 2000) Municipal Planning and Performance Management Regulations Water Services Act (Act no 108 of 1997) Housing Act (Act no 107 of 1997) Municipal Property Rates Act (Act no 6 of 2004) Electricity Act (Act no 41 of 1987) Skills Development Levies Act (Act no 9 of 1999) Employment Equity Act (Act no 55 of 1998) Unemployment Insurance Act (Act no 30 of 1966) Basic Conditions of Employment Act (Act no 75 of 1997) Supply Chain Management Regulations, 2005 Collective Agreements Infrastructure Grants SALBC Leave Regulations

## MEMBERS OF THE LANGEBERG MUNICIPALITY

<i>Councillors</i>			
Gagiano, D	Executive Mayor	DA	Proporsional
Hull, D A	Speaker	DA	Ward
Meyer, K	Deputy Mayor	COPE	Proporsional
Van Eeden, SW	Member of Mayoral Committee	DA	Ward
Scheffers, EMJ	Member of Mayoral Committee	DA	Ward
Crouwcamp, NP	Member of Mayoral Committee	CI	Proporsional
Burger, J D	Ordinary Councillor	DA	Ward
De Koker, T S	Ordinary Councillor	DA	Ward
Janse, D B	Ordinary Councillor	DA	Ward
Kortje, R R	Ordinary Councillor	DA	Ward
Kriel, J	Ordinary Councillor	DA	Ward
Mafilika, S P	Ordinary Councillor	ANC	Ward
Turner, E	Ordinary Councillor	DA	Ward
Van Zyl, J D F	Ordinary Councillor	DA	Ward
Zwedala, E M	Ordinary Councillor	ANC	Ward
Grootboom, C J	Ordinary Councillor	PDM	Proporsional
Johnson, R	Ordinary Councillor	ANC	Proporsional
Mgoqi, N J	Ordinary Councillor	ANC	Proporsional
Mhlambeni, A N	Ordinary Councillor	ANC	Proporsional
Nyamana, W S	Ordinary Councillor	ANC	Proporsional
September, D J	Ordinary Councillor	CI	Proporsional
Simpson, O C	Ordinary Councillor	WCC	Proporsional
Vollenhoven, E J	Ordinary Councillor	ANC	Proporsional





## STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2010

	Notes	2011 R	2010 R
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net Assets</b>		<b>415,205,423</b>	<b>394,136,563</b>
Capital Replacement Reserve	2	29,207,935	36,340,353
Accumulated Surplus/(Deficit)		385,997,488	357,796,210
<b>Non-Current Liabilities</b>		<b>76,395,564</b>	<b>75,939,973</b>
Long-term Liabilities	3	37,327,237	41,511,897
Employee benefits	4	35,109,846	30,776,699
Non-Current Provisions	5	3,958,481	3,651,377
<b>Current Liabilities</b>		<b>72,759,226</b>	<b>60,899,483</b>
Consumer Deposits	6	5,571,077	4,942,210
Current Employee benefits	7	11,268,307	11,352,505
Provisions	8	2,231,348	1,728,673
Payables from exchange transactions	9	37,868,490	28,164,119
Unspent Conditional Government Grants and Receipts	10	8,463,004	10,129,340
Unspent Public Contributions	11	62,849	235,526
Taxes	12,1	3,903,591	2,465,322
Current Portion of Long-term Liabilities	3	3,390,561	1,881,787
<b>Total Net Assets and Liabilities</b>		<b>564,360,213</b>	<b>530,976,018</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>436,963,127</b>	<b>409,647,400</b>
Property, Plant and Equipment	13	405,949,468	382,446,990
Investment Property	14	27,347,336	24,013,674
Intangible Assets	15	864,355	956,106
Capitalised Restoration cost	16	295,847	509,357
Non-Current Investments	17	7,441	6,318
Long-Term Receivables	18	2,498,680	1,714,954
<b>Non-Current Assets held for sale</b>	19	<b>559,340</b>	<b>-</b>
<b>Current Assets</b>		<b>126,837,746</b>	<b>121,328,619</b>
Inventory	20	10,059,520	10,619,181
Receivables from exchange transactions	21	17,075,591	16,819,867
Receivables from non-exchange transactions	22	3,930,999	3,861,214
Unpaid Conditional Government Grants and Receipts	10	6,450,286	10,710,805
Operating Lease Asset	23	31,109	13,244
Taxes	12	11,455	37,567
Current Portion of Long-term Receivables	18	1,209,421	1,984,451
Cash and Cash Equivalents	24	88,069,364	77,282,291
<b>Total Assets</b>		<b>564,360,213</b>	<b>530,976,019</b>





## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 Actual R	2010 Restated R	2010 Correction of Error R	2010 Previously reported R
<b>REVENUE</b>					
Revenue from Non-exchange Transactions		109,941,930	104,600,913	(0)	104,600,913
Taxation Revenue		23,826,569	22,470,346	-	22,470,346
Property rates	25	23,826,569	22,470,346	-	22,470,346
Transfer Revenue		83,725,633	80,029,472	(0)	80,029,472
Government Grants and Subsidies - Capital	26	18,706,484	18,800,043	18,800,043	-
Government Grants and Subsidies - Operating	26	64,605,409	60,939,024	(19,090,448)	80,029,472
Public Contributions and Donations		413,740	290,405	290,405	-
Other Revenue		2,389,729	2,101,095	-	2,101,095
Gain on Foreign Exchange Transaction		4,523	-	-	-
Fines		2,385,206	2,101,095	-	2,101,095
Revenue from Exchange Transactions		239,171,074	207,445,710	(22,423,814)	229,869,524
Service Charges	27	217,749,166	186,344,288	(22,471,824)	208,816,112
Rental of Facilities and Equipment		1,568,990	1,379,812	9,968	1,369,844
Interest Earned - external investments		4,866,923	7,338,969	-	7,338,969
Interest Earned - outstanding debtors		1,332,092	1,296,636	-	1,296,636
Licences and Permits		1,111,859	788,522	-	788,522
Agency Services		1,562,916	1,472,329	-	1,472,329
Other Income	28	10,765,417	8,787,112	-	8,787,112
Unamortised Discount - Interest		45,057	38,042	38,042	-
Gain on disposal of Property, Plant and Equipment		168,655	-	-	-
<b>Total Revenue</b>		<b>349,113,005</b>	<b>312,046,623</b>	<b>(22,423,814)</b>	<b>334,470,437</b>

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011 (CONT.)

	Notes	2011 Actual R	2010 Restated R	2010 Correction of Error R	2010 Previously reported R
<b>EXPENDITURE</b>					
Employee related costs	29	101,598,452	92,865,759	-	92,865,759
Remuneration of Councillors	30	5,263,028	4,995,472	-	4,995,472
Debt Impairment	31	4,974,645	5,231,860	-	5,231,860
Depreciation and Amortisation	32	14,451,960	12,988,217	(9,290,145)	22,278,363
Collection costs		916,446	911,009	-	911,009
Impairments	0	-	-	-	-
Repairs and Maintenance		10,543,421	9,053,532	29,495	9,024,037
Actuarial losses	4	1,336,500	-	-	-
Unamortised Discount		-	-	-	-
- Interest paid		126,286	124,343	124,343	-
Finance Charges	33	7,920,178	8,042,008	343	8,041,666
Bulk Purchases	34	128,060,590	98,707,237	-	98,707,237
Contracted services		1,379,492	1,524,235	-	1,524,235
Grants and Subsidies	35	-	(0)	(13,206,376)	13,206,376
Operating Grant Expenditure		18,774,331	25,185,467	24,039,425	1,146,042
General Expenses	36	31,432,311	27,551,753	(9,265,448)	36,817,201
Loss on disposal of Property, Plant and Equipment		1,266,504	5,482,930	(5,031,549)	10,514,479
Fair Value Adjustments		-	1,745,690	-	1,745,690
<b>Total Expenditure</b>		<b>328,044,145</b>	<b>294,404,897</b>	<b>(12,604,528)</b>	<b>307,009,425</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>21,068,860</b>	<b>17,641,726</b>	<b>(9,819,285)</b>	<b>27,461,012</b>





## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2011

	Government Grant Reserve	Capital Replacement Reserve	Capitalisation Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R	R
Balance at 1 JULY 2009	83,574,741	32,992,064	31,522,164	225,740,998	373,829,967
Change in accounting policy	(83,574,741)	-	(31,522,164)	115,096,905	-
Correction of error	-	-	-	2,664,869	2,664,869
<b>Restated Balance at 1 JULY 2009</b>	-	32,992,064	-	343,502,772	376,494,837
Transfer to CRR	-	39,875,601	-	(39,875,601)	-
Property, Plant and Equipment purchased	-	(36,527,312)	-	36,527,312	-
Transactions for the year	38,908,599	-	(2,710,787)	(36,197,811)	-
Change in accounting policy	(38,908,599)	-	2,710,787	36,197,811	-
Net Surplus for the year	-	-	-	17,641,726	17,641,726
<b>Balance at 30 JUNE 2010</b>	-	36,340,353	-	357,796,210	394,136,563
Net Surplus for the year	-	-	-	21,068,860	21,068,860
Transfer to/from CRR	-	36,192,214	-	(36,192,214)	-
Property, Plant and Equipment purchased	-	(43,324,632)	-	43,324,632	-
<b>Balance at 30 JUNE 2011</b>	-	29,207,935	-	385,997,488	415,205,423



## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

	Notes	30 JUN 2011 R	30 JUN 2010 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Ratepayers and other		259,937,951	188,525,434
Government - operating		64,605,409	60,939,024
Government - capital		18,706,484	18,800,043
Interest		6,199,015	8,635,606
<b>Payments</b>			
Suppliers and employees		(283,824,165)	(243,538,200)
Finance charges	33	(7,920,178)	(8,042,008)
Transfers and Grants		-	0
<b>CASH GENERATED BY OPERATIONS</b>	39	<b>57,704,516</b>	<b>25,319,898</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment	13	(42,329,843)	(50,848,425)
Proceeds on Disposals		215,898	315,615
Purchase of Intangible Assets	15	(497,308)	(323,452)
Decrease/(Increase) in Long-term Receivables	18	(1,705,671)	9,530,615
Decrease/(Increase) in Non-current Investments	17	(1,123)	(1,634)
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(44,318,047)</b>	<b>(41,327,280)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Loans repaid		(3,228,264)	(3,198,535)
New loans raised		-	41,373
(Decrease)/Increase in Consumer Deposits		628,867	343,571
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>(2,599,397)</b>	<b>(2,813,591)</b>
<b>NET (INCREASE)/DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>10,787,073</b>	<b>(18,820,973)</b>
Cash and Cash Equivalents at the beginning of the year		77,282,291	96,103,264
Cash and Cash Equivalents at the end of the year	40	88,069,364	77,282,291
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>10,787,073</b>	<b>(18,820,973)</b>

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>2 NET ASSET RESERVES</b>		
Capital Replacement Reserve	29,207,935	36,340,353
Capitalisation Reserve	-	-
Government Grant Reserve	-	-
<b>Total Net Asset Reserves</b>	<b>29,207,935</b>	<b>36,340,353</b>
Balance previously reported		187,635,069
Change in accounting policy reserves no longer in policy		(151,294,716)
- Refer to note 37.1		36,340,353
<b>3 LONG-TERM LIABILITIES</b>		
Annuity Loans - At amortised cost	41,591,174	44,119,835
Capitalised Lease Liability - At amortised cost	76,440	304,894
	41,667,614	44,424,729
Current Portion transferred to Current Liabilities	3,390,561	1,881,787
Annuity Loans - At amortised cost	3,326,410	1,653,333
Capitalised Lease Liability - At amortised cost	64,151	228,454
	(949,816)	(1,031,045)
Unamortised charges on loans		
Balance 1 July	1,031,045	1,117,346
Adjustment for the period	(81,229)	(86,301)
<b>Total Long-term Liabilities</b>		
- At amortised cost using the effective interest rate method	<b>37,327,237</b>	<b>41,511,897</b>
Balance previously reported (Note 3 and 4)		42,542,600
Correction of error on loan balances - Refer to note 38.1		342
First time implementation of Unamortised discount - Refer to note 37.2		(1,031,045)
		41,511,897
Refer below for maturity dates of long term liabilities:		
The obligations under annuity loans are scheduled below:	<b>MINIMUM ANNUITY PAYMENTS</b>	
Amounts payable under annuity loans:		
Payable within one year	6,980,888	11,669,304
Payable within two to five years	25,972,874	26,820,250
Payable after five years	34,772,135	40,905,305
	67,725,898	79,394,859
Less: Future finance obligations	(26,134,723)	(35,275,024)
<b>Present value of annuity obligations</b>	<b>41,591,175</b>	<b>44,119,835</b>
Annuity loans at amortised cost is calculated at 9.29% interest rate, with a maturity date of 31 March 2027.		

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>3 LONG-TERM LIABILITIES (Continued)</b>		
The obligations under finance leases are scheduled below:	<b>MINIMUM LEASE PAYMENTS</b>	
Amounts payable under finance leases:		
Payable within one year	67,442	254,728
Payable within two to five years	12,860	80,302
Payable after five years	-	-
	80,302	335,030
Less: Future finance obligations	(3,862)	(30,136)
<b>Present value of lease obligations</b>	<b>76,440</b>	<b>304,894</b>
Leases are secured by property, plant and equipment - Note 13		
Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.		
<b>4 EMPLOYEE BENEFITS</b>		
Post Retirement Benefits - Refer to Note 4.1	30,851,800	27,223,142
Long Service Awards - Refer to Note 4.2	4,258,046	3,553,557
<b>Total Non-current Employee Benefit Liabilities</b>	<b>35,109,846</b>	<b>30,776,699</b>
<b>Post Retirement Benefits</b>		
Balance 1 July	28,165,670	23,903,360
Contribution for the year	1,412,903	1,097,399
Interest Cost	2,554,745	2,155,885
Expenditure for the year	(939,241)	(837,372)
Actuarial Loss/(Gain)	619,931	1,846,398
<b>Total post retirement benefits 30 June</b>	<b>31,814,008</b>	<b>28,165,670</b>
Less: Transfer of Current Portion - Note 7	(962,208)	(942,528)
<b>Balance 30 June</b>	<b>30,851,800</b>	<b>27,223,142</b>
<b>Long Service Awards</b>		
Balance 1 July	4,016,492	3,633,984
Contribution for the year	495,974	431,007
Interest Cost	342,126	322,054
Expenditure for the year	(717,641)	(271,478)
Actuarial Loss/(Gain)	716,569	(99,075)
<b>Total long service 30 June</b>	<b>4,853,520</b>	<b>4,016,492</b>
Less: Transfer of Current Portion - Note 7	(595,474)	(462,935)
<b>Balance 30 June</b>	<b>4,258,046</b>	<b>3,553,557</b>



## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>4 EMPLOYEE BENEFITS (Continued)</b>		
<b>TOTAL NON-CURRENT EMPLOYEE BENEFITS</b>		
Balance 1 July	32,182,162	27,537,344
Contribution for the year	1,908,877	1,528,406
Interest cost	2,896,871	2,477,939
Expenditure for the year	(1,656,882)	(1,108,850)
Actuarial Loss/(Gain)	1,336,500	1,747,323
<b>Total employee benefits 30 June</b>	<b>36,667,528</b>	<b>32,182,162</b>
Less: Transfer of Current Portion - Note 7	(1,557,682)	(1,405,463)
<b>Balance 30 June</b>	<b>35,109,846</b>	<b>30,776,699</b>

**4.1 Post Retirement Benefits**

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	171	173
In-service (employee) non-members	483	477
Continuation members (e.g. Retirees, widows, orphans)	43	45
<b>Total Members</b>	<b>697</b>	<b>695</b>

The liability in respect of past service has been estimated to be as follows:

In-service members	18,509,610	15,153,335
Continuation members	13,304,398	13,012,335
<b>Total Liability</b>	<b>31,814,008</b>	<b>28,165,670</b>

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2009 R	2008 R	2007 R
In-service members	12,079,972	11,288,336	-
Continuation members	11,823,388	11,048,567	-
<b>Total Liability</b>	<b>23,903,360</b>	<b>22,336,903</b>	<b>-</b>

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;  
Hosmed  
LA Health  
Samwumed; and  
Key health.

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>4 EMPLOYEE BENEFITS (Continued)</b>		
Key actuarial assumptions used:	%	%
<b>i) Rate of interest</b>		
Discount rate	8.68	9.22
Health Care Cost Inflation Rate	7.32	7.27
Net Effective Discount Rate	1.26	1.82
<b>ii) Mortality rates</b>		
The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.		
<b>iii) Normal retirement age</b>		
It has been assumed that in-service members will retire at age 60, which then implicitly allows for expected rates of early and ill-health retirement.		
<b>The amounts recognised in the Statement of Financial Position are as follows:</b>		
Present value of fund obligations	31,814,008	28,165,670
<b>Net liability/(asset)</b>	<b>31,814,008</b>	<b>28,165,670</b>
The municipality has elected to recognise the full increase in this defined benefit liability immediately as per IAS 19, Employee Benefits, paragraph 155 (a).		
<b>Reconciliation of present value of fund obligation:</b>		
Present value of fund obligation at the beginning of the year	28,165,670	23,903,360
Total expenses	3,028,407	2,415,912
Current service cost	1,412,903	1,097,399
Interest Cost	2,554,745	2,155,885
Benefits Paid	(939,241)	(837,372)
Actuarial (gains)/losses	619,931	1,846,398
Present value of fund obligation at the end of the year	31,814,008	28,165,670
Less: Transfer of Current Portion - Note 7	(962,208)	(942,528)
<b>Balance 30 June</b>	<b>30,851,800</b>	<b>27,223,142</b>

## NOTES TO THE FINANCIAL STATEMENTS

			2011 R	2010 R
<b>4 EMPLOYEE BENEFITS (Continued)</b>				
<b>Sensitivity Analysis on the Accrued Liability</b>				
Assumption		In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm) % change
Central Assumptions		18.51	13.304	31.814
The effect of movements in the assumptions are as follows:				
Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm) % change
Health care inflation	1%	22.059	14.672	36.731 15%
Health care inflation	-1%	15.679	12.112	27.791 -13%
Post-retirement mortality	-1 year	19.106	13.838	32.944 4%
Average retirement age	-1 year	19.997	13.304	33.301 5%
Withdrawal Rate	-50%	20.110	13.304	33.414 5%
<b>4.2 Long Service Bonuses</b>				
The Long Service Bonus plans are defined benefit plans.				
As at year end, the following number of employees were eligible for Long Service Bonuses.				
			654	650
Key actuarial assumptions used:				
<b>Rate of interest</b>				
Discount rate			7.76%	9.03%
General Salary Inflation (long-term)			6.27%	6.40%
Net Effective Discount Rate applied to salary-related Long Service Bonuses			1.41%	2.47%
The amounts recognised in the Statement of Financial Position are as follows:				
Present value of fund obligations			4,853,520	4,016,492
Net liability			4,853,520	4,016,492
The liability in respect of periods commencing prior to the comparative year has been estimated as follows:				
	2009 R	2008 R	2007 R	
Total Liability	3,633,984	3,443,004	-	

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>4 EMPLOYEE BENEFITS (Continued)</b>		
<b>Reconciliation of present value of fund obligation:</b>		
Present value of fund obligation at the beginning of the year	4,016,492	3,633,984
Total expenses	120,459	481,583
Current service cost	495,974	431,007
Interest Cost	342,126	322,054
Benefits Paid	(717,641)	(271,478)
Actuarial (gains)/losses	716,569	(99,075)
Present value of fund obligation at the end of the year	4,853,520	4,016,492
Less: Transfer of Current Portion - Note 7	(595,474)	(462,935)
Balance 30 June	4,258,046	3,553,557
<b>Sensitivity Analysis on the Unfunded Accrued Liability</b>		
Assumption	Change	Liability (R) % change
Central assumptions		4,854
General salary inflation	1.00%	5,191 7%
General salary inflation	-1.00%	4,548 -6%
Average retirement age	-2 yrs	4,183 -14%
Average retirement age	+2 yrs	5,551 14%
Withdrawal rates	-50.00%	5,859 21%

**4.3 Retirement funds**

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although both the Cape Joint Pension Fund and Cape Joint Retirement Fund are defined as defined benefit plans, it will be accounted for as defined contribution plans.

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
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## 4 EMPLOYEE BENEFITS (Continued)

CAPE JOINT PENSION FUND	Last Actuarial Valuation	Total Assets R'000	Total liabilities R'000	Contributing members
The contribution rate payable is 9% by members and 18% by Council.	June 2010	2,951,468	2,946,570	2

Contributions paid recognised in the Statement of Financial Performance	68,219	65,162
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CAPE RETIREMENT FUND	Last Actuarial Valuation	Total Assets R'000	Total liabilities R'000	Contributing members
The contribution rate payable is 9% by members and 18% by Council.	June 2010	7,750,863	7,750,863	472

Contributions paid recognised in the Statement of Financial Performance	7,468,766	8,819,524
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## DEFINED CONTRIBUTION FUNDS

Council contribute to the South African Local Authorities Pension Fund, Municipal Councillors Pension Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

	Last Actuarial Valuation	Total Assets R'000	Total liabilities R'000	Contributing members
South African Local Authorities Pension Fund	July 2010	7,110,300	7,417,900	39
Municipal Councillors Pension Fund	June 2006	1,731,055	1,731,055	137
SAMWU National Provident Fund	June 2007	2,764,426	2,764,426	137

Note: The results of the actuarial valuations dated 30 June 2008 for SAMWU National Provident Fund and 30 June 2009 for Municipal Councillors Pension Funds are not yet available.

Contributions paid recognised in the Statement of Financial Performance		
Sala Pension Fund	686,361	736,505
Municipal Councillors Pension Fund	343,639	346,891
SAMWU National Provident Fund	1,700,247	1,839,160
	<u>2,730,247</u>	<u>2,922,556</u>

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
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## 5 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	3,958,481	3,651,377
<b>Total Non-current Provisions</b>	<b>3,958,481</b>	<b>3,651,377</b>

Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities. Refer to Note 53.1

The Municipality operate on four landfill sites. The in year actual operational costs is expensed in the statement of financial position. The provision is calculated in order to finance the rehabilitation cost of each site when it reaches 100% capacity. The expected cash flow outflow; within one year; is related to the McGregor site, which reached 100% capacity and the cost is represented by the short-term portion of the non-current provision. The other landfill sites in operation are Montagu, Bonnievale and Ashton

## Landfill Sites

Balance 1 July	3,954,428	3,645,369
Contribution for the year	331,776	-
Expenditure incurred (Interest)	154,891	309,059
<b>Total provision 30 June</b>	<b>4,441,096</b>	<b>3,954,428</b>
Less: Transfer of Current Portion to Current Provisions - Note 8	(482,615)	(303,051)
<b>Balance 30 June</b>	<b>3,958,481</b>	<b>3,651,377</b>

## 6 CONSUMER DEPOSITS

Municipal services	5,571,077	4,942,210
<b>Total Consumer Deposits</b>	<b>5,571,077</b>	<b>4,942,210</b>
<b>Guarantees held in lieu of Electricity and Water Deposits</b>	<b>2,363,301</b>	<b>2,250,473</b>

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.



## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>7 CURRENT EMPLOYEE BENEFITS</b>		
Current Portion of Post Retirement Benefits - Note 4	962,208	942,528
Current Portion of Long-Service Provisions - Note 4	595,474	462,935
Staff Leave	6,361,801	6,027,149
Performance Bonuses	642,719	423,198
Bonuses	2,706,104	2,606,918
TASK Evaluation	-	889,778
<b>Total Current Employee Benefits</b>	<b>11,268,307</b>	<b>11,352,505</b>
The movement in current employee benefits is reconciled as follows:		
<b>Staff Leave</b>		
Balance at beginning of year	6,027,149	5,503,602
Contribution to current portion	726,390	999,918
Expenditure incurred	(391,738)	(476,371)
<b>Balance at end of year</b>	<b>6,361,801</b>	<b>6,027,149</b>
Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.		
<b>Performance Bonuses</b>		
Balance at beginning of year	423,197	338,849
Contribution to current portion	811,997	434,373
Expenditure incurred	(592,476)	(350,025)
<b>Balance at end of year</b>	<b>642,719</b>	<b>423,197</b>
Performance bonuses are being paid to Municipal Manager and Directors after an evaluation of performance by the council. There is no possibility of reimbursement.		
<b>Bonuses</b>		
Balance at beginning of year	2,606,918	2,266,608
Contribution to current portion	5,935,106	5,190,122
Expenditure incurred	(5,835,919)	(4,849,813)
<b>Balance at end of year</b>	<b>2,706,105</b>	<b>2,606,918</b>
Bonuses are being paid to all permanent employed municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.		

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>7 CURRENT EMPLOYEE BENEFITS (Continued)</b>		
<b>TASK Evaluation</b>		
Balance at beginning of year	889,778	-
Contribution to current portion	-	889,778
Expenditure incurred	(889,778)	-
<b>Balance at end of year</b>	<b>0</b>	<b>889,778</b>
All eligible employees (excluding Municipal Manager, Section 57 Managers and contractual employees) have received remuneration based on the results of their job evaluation as per the TASK job evaluation system in terms of clause 7.2.6 of the collective agreement.		
<b>8 PROVISIONS</b>		
SALA Pension Fund	1,243,363	956,670
Cape Joint Pension Fund	505,370	468,952
Current Portion of Rehabilitation of Landfill-sites - Note 5	482,615	303,051
<b>Total Provisions</b>	<b>2,231,348</b>	<b>1,728,673</b>
<b>SALA Pension Fund</b>		
Balance at beginning of year	956,670	747,765
Expenditure incurred (Interest)	286,693	208,905
<b>Balance at end of year</b>	<b>1,243,363</b>	<b>956,670</b>
<b>Cape Joint Pension Fund</b>		
Balance at beginning of year	468,952	-
Expenditure incurred (Interest)	36,418	468,952
<b>Balance at end of year</b>	<b>505,370</b>	<b>468,952</b>
<b>9 PAYABLES FROM EXCHANGE TRANSACTIONS</b>		
Trade Payables	31,835,354	23,067,060
Payments received in advance	3,220,474	3,221,154
Retentions and Guarantees	716,310	225,978
Sundry Deposits	1,846,583	1,649,928
Sundry Creditors	249,769	(0)
<b>Total Trade Payables</b>	<b>37,868,490</b>	<b>28,164,119</b>

Payables are being recognised net of any discounts.

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>9 PAYABLES FROM EXCHANGE TRANSACTIONS (Continued)</b>		
Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary		
The carrying value of trade and other payables approximates its fair value.		
Sundry deposits include hall, builders and other general Deposits.		
<b>10 UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS</b>		
Unspent Grants	8,463,004	10,129,340
National Government Grants	3,006,028	4,617,608
Provincial Government Grants	4,436,918	4,508,852
District Municipality	1,020,058	1,002,880
Less: Unpaid Grants	6,450,286	10,710,805
National Government Grants	4,096,777	816,928
Provincial Government Grants	2,199,509	9,682,444
District Municipality	154,000	211,433
<b>Total Conditional Grants and Receipts</b>	<b>2,012,717</b>	<b>(581,465)</b>
Reconciliation of total grants and receipts		
Balance previously reported		(345,939)
Change in accounting policy - Refer to note 36.3		(235,526)
		<b>(581,465)</b>
See appendix "D" for reconciliation of grants from other spheres of government. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.		
<b>11 UNSPENT PUBLIC CONTRIBUTIONS</b>		
Silwer Strand Home Owners Association	62,849	235,526
<b>Total Unspent Public Contributions</b>	<b>62,849</b>	<b>235,526</b>

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>11 UNSPENT PUBLIC CONTRIBUTIONS (Continued)</b>		
Reconciliation of public contributions		
<b>Silwer Strand Home Owners Association</b>		
Opening balance	235,526	235,526
Contributions received	-	-
Conditions met - Transferred to revenue	(172,677)	-
<b>Closing balance</b>	<b>62,849</b>	<b>235,526</b>
The Silwer Strand Home Owners Association had to make a contribution for the construction of infrastructure. The project is not yet complete.		
Balance previously reported		-
Change in accounting policy - Refer to note 37.3		235,526
		<b>235,526</b>
<b>12 TAXES</b>		
<b>12.1 VAT PAYABLE</b>		
VAT Payable	1,462,933	475,426
VAT output in suspense	4,809,660	4,087,767
Less: Impairment of VAT receivables	(2,369,002)	(2,097,870)
<b>Total Vat payable</b>	<b>3,903,591</b>	<b>2,465,322</b>
<b>12.2 VAT RECEIVABLE</b>		
VAT input in suspense	11,455	37,567
<b>Total VAT receivable</b>	<b>11,455</b>	<b>37,567</b>
<b>12.3 NET VAT RECEIVABLE/(PAYABLE)</b>	<b>(3,892,136)</b>	<b>(2,427,756)</b>
VAT is receivable/payable on the cash basis.		
Balance previously reported		(4,525,626)
Correction of error - Refer to note 38.10		2,097,870
		<b>(2,427,756)</b>

## NOTES TO THE FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS

## 13 PROPERTY, PLANT AND EQUIPMENT

## 13.1 30 JUNE 2011

Reconciliation of Carrying Value	Cost								Accumulated Depreciation and Impairment Losses				Carrying Value
	Opening Balance Original Cost	Opening Balance Residual Values	Additions Original Cost	Additions Residual Values		Disposals / Transfer Original Cost	Disposals / Transfer Residual Values	Closing Balance Cost	Opening Balance	Additions	Disposals / Transfer	Closing Balance	
	R	R	R	R		R	R	R	R	R	R	R	R
Land and Buildings	83,699,699	-	2,089,385	-		3,944,000	-	81,847,084	6,198,727	699,461	1,330,795	5,567,393	76,277,691
Land	52,201,077	-	-	-		444,000	-	51,759,077	-	-	-	-	51,757,077
Buildings	31,498,621	-	2,089,385	-		3,500,000	-	30,088,007	6,198,727	699,461	1,330,795	5,567,393	24,520,614
Infrastructure	299,758,945	-	30,631,100	-		5,523,300	-	324,866,746	70,411,707	7,341,631	4,427,917	73,325,421	251,541,325
Electricity	82,586,549	-	9,695,123	-		-	-	92,281,672	22,263,962	1,672,030	-	23,935,992	68,345,680
Housing	12,087,551	-	-	-		5,522,200	-	6,565,351	4,834,343	246,454	4,426,886	653,911	5,911,440
Roads	88,834,558	-	6,759,964	-		-	-	95,594,522	20,125,712	2,729,546	-	22,855,258	72,739,264
Sewerage	35,675,406	-	575,371	-		-	-	36,250,777	8,463,807	891,490	-	9,355,297	26,895,480
Waste Management	15,423,454	-	886,168	-		-	-	16,309,623	1,866,480	363,586	-	2,230,066	14,079,557
Water	63,423,283	-	11,725,213	-		1,100	-	75,147,396	12,857,404	1,438,524	1,031	14,294,897	60,852,499
Work in Progress	1,728,144	-	989,261	-		-	-	2,717,405	-	-	-	-	2,717,405
Community Assets	55,944,778	-	7,309,472	-		2,050,905	-	61,203,344	9,503,139	1,241,541	317,424	10,427,255	50,776,089
Airfield	136,769	-	17,915	-		-	-	154,684	6,675	4,715	-	11,390	143,294
Cemeteries	1,420,268	-	352,907	-		-	-	1,773,175	362,073	86,186	-	448,259	1,324,916
Clinics	5,859,337	-	-	-		266,000	-	5,593,337	873,047	59,634	143,011	789,671	4,803,666
Community halls	11,122,995	-	410,931	-		-	-	11,533,927	1,264,447	120,412	-	1,384,859	10,149,068
Fire, safety & emergency	761,145	-	-	-		-	-	761,145	117,828	37,406	-	155,233	605,911
Libraries	3,755,080	-	80,414	-		-	-	3,835,495	1,632,733	150,271	-	1,783,004	2,052,490
Museums & Art Galleries	1,850,136	-	-	-		299,000	-	1,551,136	172,238	18,789	35,404	155,622	1,395,513
Other	2,364,323	-	-	-		1,345,905	-	1,018,417	225,491	42,744	139,010	129,225	889,192
Parks & Gardens	11,372,956	-	253,702	-		140,000	-	11,486,659	815,968	198,578	-	1,014,547	10,472,112
Recreation facilities	1,846,949	-	146,362	-		-	-	1,993,311	938,803	78,605	-	1,017,408	975,903
Sport fields & stadia	12,132,761	-	1,540,260	-		-	-	13,673,021	2,127,563	331,836	-	2,459,399	11,213,622
Swimming pools	3,322,059	-	6,981	-		-	-	3,329,040	966,272	112,366	-	1,078,637	2,250,402
Work in Progress	-	-	4,500,000	-		-	-	4,500,000	-	-	-	-	4,500,000
Leased Assets	1,042,531	-	-	-		-	-	1,042,531	320,774	137,156	-	457,929	584,601
Office Equipment (Lease)	1,042,531	-	-	-		-	-	1,042,531	320,774	137,156	-	457,929	584,601
Heritage Assets	-	-	-	-		-	-	-	-	-	-	-	-
Buildings	-	-	-	-		-	-	-	-	-	-	-	-
Other Assets	37,875,114	5,549,994	2,296,364	3,521		851,822	12,535	44,860,635	14,989,725	3,891,997	790,848	18,090,874	26,769,762
Computer hardware/equipment	4,640,428	-	511,608	-		318,663	-	4,833,374	2,107,047	707,206	294,088	2,520,165	2,313,209
Furniture & office equipment	3,135,864	-	432,672	-		34,833	-	3,533,703	983,138	410,037	31,395	1,361,781	2,171,922
General Vehicles	14,588,219	3,447,818	-	-		196,145	12,535	17,827,357	6,097,262	1,139,266	182,014	7,054,515	10,772,843
Other	913,620	66,424	5,900	3,521		-	-	989,465	258,956	66,934	-	325,891	663,574
Other Buildings	861,000	-	168,864	-		-	-	1,029,864	241,113	45,545	-	286,658	743,205
Specialised Vehicles	4,104,980	976,050	-	-		-	-	5,081,031	974,880	306,522	-	1,281,402	3,799,629
Plant & Equipment	9,631,003	1,059,701	1,177,320	-		302,182	-	11,565,842	4,327,327	1,216,486	283,352	5,260,461	6,305,380
	478,321,066	5,549,994	42,326,321	3,521		12,370,028	12,535	513,818,340	101,424,071	13,311,785	6,866,984	107,868,872	405,949,468



## NOTES TO THE FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS

## 13 PROPERTY, PLANT AND EQUIPMENT (Continued)

## 13.2 30 JUNE 2010

Reconciliation of Carrying Value	Cost								Accumulated Depreciation and Impairment Losses				Carrying Value
	Opening Balance Original Cost	Opening Balance Residual Values	Additions Original Cost	Additions Residual Values		Disposals / Transfer Original Cost	Disposals / Transfer Residual Values	Closing Balance Cost	Opening Balance	Additions	Disposals / Transfer	Closing Balance	
	R	R	R	R		R	R	R	R	R	R	R	R
Land and Buildings	84,952,987	-	1,167,712	-		2,421,000	-	83,699,699	5,612,934	585,793	-	6,198,727	77,500,972
Land	54,470,077	-	152,000	-		2,421,000	-	52,201,077	-	-	-	-	52,201,077
Buildings	30,482,909	-	1,015,712	-		-	-	31,498,621	5,612,934	585,793	-	6,198,727	25,299,895
Infrastructure	260,800,810	-	58,574,985	-		19,616,849	-	299,758,946	79,054,695	6,926,678	15,569,666	70,411,707	229,347,239
Electricity	59,655,629	-	17,544,637	-		-	-	77,200,266	20,910,401	1,353,561	-	22,263,962	54,936,304
Housing	31,701,551	-	-	-		19,614,000	-	12,087,551	19,624,536	777,915	15,568,108	4,834,343	7,253,207
Roads	83,725,844	-	5,064,065	-		-	-	88,789,909	17,523,384	2,602,328	-	20,125,712	68,664,197
Sewerage	30,085,007	-	5,589,419	-		-	-	35,674,426	7,630,533	833,274	-	8,463,807	27,210,619
Waste Management	14,155,747	-	1,267,707	-		-	-	15,423,454	1,551,904	314,576	-	1,866,480	13,556,975
Water	40,456,058	-	21,120,546	-		2,849	-	61,573,755	11,813,937	1,045,025	1,558	12,857,404	48,716,351
Work in Progress	1,020,974	-	7,988,611	-		-	-	9,009,585	-	-	-	-	9,009,585
Community Assets	52,996,584	-	2,948,194	-		-	-	55,944,778	8,377,257	1,125,882	-	9,503,139	46,441,639
Airfield	136,769	-	-	-		-	-	136,769	5,197	1,478	-	6,675	130,094
Cemeteries	1,145,361	-	274,907	-		-	-	1,420,268	292,921	69,152	-	362,073	1,058,196
Clinics	5,859,337	-	-	-		-	-	5,859,337	807,183	65,864	-	873,047	4,986,290
Community halls	9,023,744	-	2,099,251	-		-	-	11,122,995	1,169,179	95,269	-	1,264,447	9,858,548
Fire, safety & emergency	761,145	-	-	-		-	-	761,145	80,422	37,406	-	117,828	643,317
Libraries	3,675,676	-	79,405	-		-	-	3,755,080	1,498,563	134,170	-	1,632,733	2,122,347
Museums & Art Galleries	1,850,136	-	-	-		-	-	1,850,136	153,449	18,789	-	172,238	1,677,898
Other	2,129,895	-	234,427	-		-	-	2,364,323	196,400	29,091	-	225,491	2,138,831
Parks & Gardens	11,355,367	-	17,590	-		-	-	11,372,956	637,811	178,157	-	815,968	10,556,988
Recreation facilities	1,846,949	-	-	-		-	-	1,846,949	861,399	77,403	-	938,803	908,146
Sport fields & stadia	11,897,467	-	235,294	-		-	-	12,132,761	1,819,369	308,194	-	2,127,563	10,005,198
Swimming pools	3,314,739	-	7,320	-		-	-	3,322,059	855,363	110,909	-	966,272	2,355,787
Work in Progress	-	-	-	-		-	-	-	-	-	-	-	-
Leased Assets	1,001,158	-	41,373	-		-	-	1,042,531	200,223	120,550	-	320,774	721,757
Office Equipment (Lease)	1,001,158	-	41,373	-		-	-	1,042,531	200,223	120,550	-	320,774	721,757
Heritage Assets	-	-	-	-		-	-	-	-	-	-	-	-
Buildings	-	-	-	-		-	-	-	-	-	-	-	-
Other Assets	35,306,266	4,949,773	3,541,028	600,221		972,180	-	43,425,108	12,208,854	3,549,169	768,298	14,989,725	28,435,383
Computer hardware/equipment	3,919,290	-	952,328	-		231,189	-	4,640,428	1,693,602	599,997	186,552	2,107,047	2,533,381
Furniture & office equipment	2,569,009	-	582,611	-		15,755	-	3,135,864	668,258	327,602	12,722	983,138	2,152,725
General Vehicles	13,673,350	2,914,022	1,445,796	533,796		530,927	-	18,036,037	5,425,176	1,086,535	414,448	6,097,262	11,938,775
Other	768,176	-	145,444	66,424		-	-	980,044	204,286	54,671	-	258,956	721,087
Other Buildings	861,000	-	-	-		-	-	861,000	205,301	35,813	-	241,113	619,886
Specialised Vehicles	4,104,980	976,050	-	-		-	-	5,081,031	668,358	306,522	-	974,880	4,106,150
Plant & Equipment	9,410,462	1,059,701	414,848	-		194,307	-	10,690,704	3,343,873	1,138,030	154,576	4,327,327	6,363,377
	435,057,804	4,949,773	66,273,291	600,221		23,010,029	-	483,871,061	105,453,963	12,308,072	16,337,964	101,424,071	382,446,990

## NOTES TO THE FINANCIAL STATEMENTS

	2010 R
<b>13 PROPERTY, PLANT AND EQUIPMENT (Continued)</b>	
Balance previously reported	399,102,853
Correction of error - Refer to note 38.3	(82,674,002)
Change in accounting policy - Refer to note 37.4	66,018,138
	<u>382,446,989</u>
<b>Assets pledged as security:</b>	
A bond is registered on the Town Hall of Ashton in favour of the Development Bank of South Africa as security for the following loans:	
- Extension - Municipal Offices	
- Vehicle Testing Station	
- Paving	
- Electrification - Industrial Area	
No impairments were identified during the reporting period	



## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>14 INVESTMENT PROPERTY</b>		
Net Carrying amount at 1 July	24,013,674	24,019,504
Cost	24,102,000	24,102,000
Under Construction	-	-
Accumulated Depreciation	(88,326)	(82,496)
Accumulated Impairment	-	-
Acquisitions	-	-
Disposals	-	-
Depreciation for the year	(5,829)	(5,829)
Impairment	-	-
Transfers to Inventory - cost	(662,000)	-
Transfers to Inventory - accumulated depreciation	46,660	-
Transfers from Property, Plant and equipment - cost	5,440,905	-
Transfers from Property, Plant and equipment - accumulated depreciation	(1,486,074)	-
Net Carrying amount at 30 June	27,347,336	24,013,674
Cost	28,880,905	24,102,000
Accumulated Depreciation	(1,533,569)	(88,326)
Accumulated Impairment	-	-
Balance previously reported		17,975,479
Correction of error - Refer to note 38.4		6,094,000
Change in accounting policy - Refer to note 37.5		(55,805)
		<u>24,013,674</u>
There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.		
There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.		
Revenue derived from the rental of investment property	816,092	997,011
Operating expenditure incurred on properties	3,642,438	3,593,421



## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>15 INTANGIBLE ASSETS</b>		
<b>Computer Software</b>		
Net Carrying amount at 1 July	956,106	1,067,342
Cost	1,740,126	1,416,674
Accumulated Amortisation	(784,020)	(349,332)
Accumulated Impairment	-	-
Acquisitions	497,308	323,452
Amortisation	(589,060)	(434,688)
Impairments	-	-
Disposals	-	-
<b>Net Carrying amount at 30 June</b>	<b>864,355</b>	<b>956,106</b>
Cost	2,237,434	1,740,126
Accumulated Amortisation	(1,373,079)	(784,020)
Accumulated Impairment	-	-
 Balance previously reported		1,144,027
Change in accounting policy - Refer to note 36.6		(187,921)
		<b>956,106</b>

The following material intangible assets are included in the carrying value above

Description	Remaining Amortisation Period	Carrying Value	
Microsoft Office and Windows software	2	864,355	956,106

No intangible asset was assed having an indefinite useful life.  
There are no internally generated intangible assets at reporting date. There are no intangible assets whose title is restricted.  
There are no intangible assets pledged as security for liabilities.  
There are no contractual commitments for the acquisition of intangible assets.

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>16 CAPITALISED RESTORATION COST</b>		
Net Carrying amount at 1 July	509,357	748,986
Cost	3,477,091	3,477,091
Accumulated Depreciation	(2,967,734)	(2,728,105)
Accumulated Impairments	-	-
Acquisitions	331,776	-
Under Construction - Cost	-	-
Disposals	-	-
Depreciation for the year	(545,286)	(239,628)
Impairment for the year	-	-
<b>Net Carrying amount at 30 June</b>	<b>295,847</b>	<b>509,357</b>
Cost	3,808,867	3,477,091
Accumulated Depreciation	(3,513,020)	(2,967,734)
Accumulated Impairments	-	-
 Balance previously reported		-
Change in accounting policy - Refer to note 37.7		509,357
		<b>509,357</b>

**17 NON-CURRENT INVESTMENTS**

Listed Investments	7,441	6,318
<b>Total Non-Current Investments</b>	<b>7,441</b>	<b>6,318</b>

Listed shares are held in public companies. No specific maturity dates and interest rates are applicable to these shares.

The listed shares represent 270 Sanlam Shares held at fair value, available for sale.

The market value per share at year end	27.56	23.40
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**18 LONG-TERM RECEIVABLES**

Provincial Government Housing Loans - At amortised cost	2,986,626	3,008,103
Staff Study loans - At amortised cost	0	165,472
Services connections - At amortised cost	625,683	523,498
Land Sales - At amortised cost	1,499,319	581,897
Short-term Installments	94,839	-
Agreements with Consumer Debtors	9,748,583	8,970,408
	14,955,051	13,249,380
Less: Current portion transferred to current receivables	(1,209,421)	(1,984,451)
	13,745,629	11,264,928
Less: Provision for Impairment	(11,246,950)	(9,549,975)
<b>Total Long Term Receivables</b>	<b>2,498,680</b>	<b>1,714,954</b>



## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>HOUSING LOANS</b>		
The Provincial Government Housing Loans are receivable from various customers. When tested for impairment; management determined; that none of the financial assets are individually significant therefore impairment was performed on a group basis.		
<b>SERVICES CONNECTIONS</b>		
The Services connections are receivable from various customers. When tested for impairment; management determined; that none of the financial assets are individually significant therefore impairment was performed on a group basis.		
<b>LAND SALES</b>		
The Land sales are receivable from various customers. When tested for impairment; management determined; that none of the financial assets are individually significant therefore impairment was performed on a group basis.		
<b>AGREEMENTS WITH CONSUMER DEBTORS</b>		
The agreements with consumer debtors are receivable from various customers. When tested for impairment; management determined; that none of the financial assets are individually significant therefore impairment was performed on a group basis.		
<b>Reconciliation of Provision for Bad Debts</b>		
Balance at beginning of year	9,549,975	13,937,538
Contribution to provision/(Reversal of provision)	1,562,010	1,491,998
Bad Debts Written Off	(134,965)	5,879,561
Balance at end of year	11,246,950	9,549,975
<b>19 NON-CURRENT ASSETS HELD FOR SALE</b>		
Land and Buildings	559,340	-
	559,340	-
The disposal group consists of residential and commercial sites throughout the entire Municipal area. It has been made available in public; the tender closes on the 22 July 2011.		
<b>20 INVENTORY</b>		
Maintenance Materials - At cost	9,932,670	10,552,658
Compost – at cost	61,575	12,625
Water – at cost	65,274	53,898
Total Inventory	10,059,520	10,619,181

## NOTES TO THE FINANCIAL STATEMENTS

**20 INVENTORY (Continued)**

The change in accounting policy from FIFO to the weighted average method was applied prospectively due to the impracticability of providing the comparative effect. The reason for this was the fact that the Inventory system is manually operated. The calculations for 2011 were performed manually. Due to work load it was impossible to perform this task for the prior years as well. A process has been adopted and implementation has commenced to implement a computerised inventory system that will be fully operational by the end of June 2012.

The value in respect of maintenance materials as on 30 June 2011 calculated on the FIFO method is R 10,245,667.32; the effect for the financial year is therefore R 20,458.72.



## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>21 RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
Electricity	13,262,379	11,273,773
Water	5,215,537	5,677,673
Refuse	2,246,670	2,122,524
Sewerage	2,844,033	2,689,306
Housing Rentals	594,042	634,764
Prepaid Expenses	8,132	293,090
Other	1,280,505	1,331,387
Total Receivables from Exchange Transactions	25,451,299	24,022,517
Less: Provision for Impairment	(8,375,708)	(7,202,649)
Total Net Receivables from Exchange Transactions	17,075,591	16,819,867
Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary		
Ageing of Receivables from Exchange Transactions:		
<b>(Electricity): Ageing</b>		
Current (0 - 30 days)	11,068,919	-
31 - 60 Days	654,999	-
61 - 90 Days	232,866	-
+ 90 Days	1,305,595	-
Total	13,262,379	-
<b>(Water): Ageing</b>		
Current (0 - 30 days)	2,574,099	-
31 - 60 Days	359,769	-
61 - 90 Days	242,741	-
+ 90 Days	2,038,929	-
Total	5,215,537	-
<b>(Refuse): Ageing</b>		
Current (0 - 30 days)	801,377	-
31 - 60 Days	121,645	-
61 - 90 Days	94,174	-
+ 90 Days	1,229,474	-
Total	2,246,670	-

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>21 RECEIVABLES FROM EXCHANGE TRANSACTIONS (Continued)</b>		
<b>(Sewerage): Ageing</b>		
Current (0 - 30 days)	975,403	-
31 - 60 Days	155,861	-
61 - 90 Days	118,821	-
+ 90 Days	1,593,948	-
Total	2,844,033	-
<b>(Other): Ageing</b>		
Current (0 - 30 days)	285,735	-
31 - 60 Days	165,847	-
61 - 90 Days	25,833	-
+ 90 Days	1,405,263	-
Total	1,882,679	-
<b>(Total): Ageing</b>		
Current (0 - 30 days)	15,705,534	12,550,404
31 - 60 Days	1,458,120	3,508,378
61 - 90 Days	714,435	959,318
+ 90 Days	7,573,210	7,004,417
Total	25,451,298	24,022,517
<b>Reconciliation of Provision for Bad Debts</b>		
Balance at beginning of year	7,202,649	8,408,032
Contribution to provision/(Reversal of provision)	2,595,948	2,706,961
Bad Debts Written Off	1,422,889	3,912,344
Balance at end of year	8,375,708	7,202,649

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.



## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>22 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS</b>		
Rates	4,847,527	4,774,374
Other Receivables	4,748,537	4,383,074
Accrued Interest	885,505	1,375,658
Availability charges	2,976,606	2,613,581
Other	886,426	393,836
<b>Total Receivables from Non-Exchange Transactions</b>	<b>9,596,064</b>	<b>9,157,449</b>
Less: Provision for Impairment	(5,665,065)	(5,296,235)
<b>Total Net Receivables from Non-Exchange Transactions</b>	<b>3,930,999</b>	<b>3,861,214</b>
Debtors with a total outstanding balance of R 9 748 583 (2010 - R 8 970 408) have arranged to settle their account over a re-negotiated period. The total value have been deferred beyond 12 months after year end and subsequently included as part of long term debtors.		
Refer to note 18 for balances deferred beyond 12 months from year end.		
Ageing of Receivables from Non-Exchange Transactions:		
<b>(Rates): Ageing</b>		
Current (0 - 30 days)	1,545,618	1,305,865
31 - 60 Days	148,313	268,339
61 - 90 Days	166,267	107,688
+ 90 Days	2,987,328	3,092,482
<b>Total</b>	<b>4,847,527</b>	<b>4,774,374</b>
<b>Reconciliation of Provision for Bad Debts</b>		
Balance at beginning of year	5,296,235	4,362,685
Contribution to provision/(Reversal of provision)	954,694	1,031,901
Bad Debts Written Off	585,864	98,351
<b>Balance at end of year</b>	<b>5,665,065</b>	<b>5,296,235</b>
Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.		

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>23 OPERATING LEASE ARRANGEMENTS</b>		
<b>The Municipality as Lessor (Asset)</b>		
Balance on 1 July	13,244	3,272
Movement during the year	17,866	9,972
<b>Balance on 30 June</b>	<b>31,109</b>	<b>13,244</b>
At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
Up to 1 Year	314,472	322,196
1 to 5 Years	383,175	697,647
More than 5 Years	-	-
<b>Total Operating Lease Arrangements</b>	<b>697,647</b>	<b>1,019,843</b>
Balance previously reported		-
Change in accounting policy - Refer to note 37.8		1,019,843
		<b>1,019,843</b>
This lease income was determined from contracts that have a specific conditional income. It does not include lease income which has a undetermined conditional income.		
The leases are in respect of land and buildings being leased out for periods ranging until 2014.		
<b>24 CASH AND CASH EQUIVALENTS</b>		
<b>Assets</b>		
Call Investments Deposits	70,000,000	75,000,000
Bank Accounts	18,061,147	2,274,074
Cash Floats	8,217	8,217
<b>Total Cash and Cash Equivalents - Assets</b>	<b>88,069,364</b>	<b>77,282,291</b>
<b>Liabilities</b>		
Primary Bank Account	-	-
<b>Total Cash and Cash Equivalents - Liabilities</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.		
The Municipality do not have a bank overdraft facility. Management did not deem it necessary.		



## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>24 CASH AND CASH EQUIVALENTS (Continued)</b>		
The municipality has the following bank accounts:		
<b>Current Accounts</b>		
Primary Bank account	18,058,847	2,273,224
Traffic bank account	2,300	850
	<b>18,061,147</b>	<b>2,274,074</b>
Traffic account is cleared daily to Primary Bank Account.		
<i>Primary Bank account – Montagu ABSA - Account Number 1050 000 008</i>		
Cash book balance at beginning of year	2,273,224	3,946,382
Cash book balance at end of year	18,058,847	2,273,224
Bank statement balance at beginning of year	2,363,202	8,467,487
Bank statement balance at end of year	10,285,753	2,363,202
<i>Traffic bank account – Montagu ABSA - Account Number 406 272 8351</i>		
Cash book balance at beginning of year	850	3,100
Cash book balance at end of year	17,888	850
Bank statement balance at beginning of year	850	3,100
Bank statement balance at end of year	2,300	850
Call Investment Deposits		
Call investment deposits consist of the following accounts:		
ABSA Account Number 20 6978 9534	30,000,000	20,000,000
First National Bank	-	-
Nedbank Account Number 03/7881034971/000008	20,000,000	25,000,000
Standard Bank Account Number 288478061-001	20,000,000	30,000,000
	<b>70,000,000</b>	<b>75,000,000</b>
<b>25 PROPERTY RATES</b>		
<b>Actual</b>		
Rateable Land and Buildings	31,178,062	29,309,675
Residential, Commercial Property, State	31,178,062	29,309,675
Less: Rebates	(7,351,494)	(6,839,329)
Total Assessment Rates	<b>23,826,569</b>	<b>22,470,346</b>

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>24 PROPERTY RATES (Continued)</b>		
<b>Valuations</b>		
Rateable Land and Buildings		
Residential	2,362,445,000	2,250,525,500
Agricultural	2,382,662,130	2,495,933,208
Government	110,955,000	34,661,500
Business & Commercial	1,062,168,000	1,043,325,580
Municipal	196,163,100	194,063,420
Exempt Properties	25,172,000	10,993,100
<b>Total Assessment Rates</b>	<b>6,139,565,230</b>	<b>6,029,502,308</b>
Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2007.		
<b>Rates:</b>		
Residential	67c/R	63c/R
Commercial, Industrial & Government	102c/R	96c/R
Public Benefit Organisations	16c/R	-
Agricultural	13c/R	12c/R
Rates are levied annually and is payable by the 7th of October. Interest is levied at the prime rate on outstanding instalments. Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.		
<b>26 GOVERNMENT GRANTS AND SUBSIDIES</b>		
Unconditional Grants	41,768,661	33,363,266
Equitable Share	41,768,661	33,363,266
Conditional Grants	41,543,232	46,375,801
Grants and donations	1,782,475	1,211,878
Subsidies	39,760,757	45,163,923
<b>Total Government Grants and Subsidies</b>	<b>83,311,893</b>	<b>79,739,067</b>
Government Grants and Subsidies - Capital	18,706,484	18,800,043
Government Grants and Subsidies - Operating	64,605,409	60,939,024
	<b>83,311,893</b>	<b>79,739,067</b>
Balance previously reported		80,029,472
Correction of error - Refer to note 38.5		(290,405)
		<b>79,739,067</b>
The municipality does not expect any significant changes to the level of grants.		

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>26 GOVERNMENT GRANTS AND SUBSIDIES (Continued)</b>		
<b>26.1 Equitable share</b>		
Opening balance	-	-
Grants received	41,768,661	33,363,266
Conditions met - Operating	(41,768,661)	(33,363,266)
Conditions met - Capital	-	-
Conditions still to be met	-	-
The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.		
<b>26.2 Local Government Financial Management Grant (FMG)</b>		
Opening balance	101,980	433,471
Grants received	1,000,000	750,000
Conditions met - Operating	(888,514)	(682,566)
Conditions met - Capital	-	(398,925)
Conditions still to be met	213,467	101,980
The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).		
<b>26.3 Municipal Systems Improvement Grant</b>		
Opening balance	394,471	561,975
Grants received	750,000	735,000
Conditions met - Operating	(1,068,526)	(463,477)
Conditions met - Capital	-	(439,027)
Conditions still to be met	75,945	394,471
The MSIG was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.		

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>26 GOVERNMENT GRANTS AND SUBSIDIES (Continued)</b>		
<b>26.4 Municipal Infrastructure Grant (MIG)</b>		
Opening balance	2,473,947	(1,395,566)
Grants received	7,745,000	21,860,000
Conditions met - Operating	(1,437,884)	(963,934)
Conditions met - Capital	(10,444,397)	(17,026,553)
Conditions still to be met	(1,663,334)	2,473,947
The grant was used to upgrade infrastructure in previously disadvantaged areas.		
<b>26.5 Housing Grants</b>		
Opening balance	(9,165,865)	227,824
Grants received	29,750,687	14,645,736
Conditions met - Operating	(16,995,909)	(24,039,425)
Conditions met - Capital	-	-
Grant expenditure to be recovered	3,588,913	(9,165,865)
Housing grants was utilised for the development of even and the erection of top structures.		
<b>26.6 Integrated National Electrification Grant</b>		
Opening balance	(24,105)	-
Grants received	90,000	-
Conditions met - Operating	(8,437)	-
Conditions met - Capital	(60,265)	(24,105)
Grant expenditure to be recovered	(2,807)	(24,105)
The National Electrification Grant was used for electrical connections in previously disadvantaged areas.		
<b>26.7 Other Grants</b>		
Opening balance	5,638,106	3,631,131
Grants received	4,801,727	4,344,765
Conditions met - Operating	(2,437,478)	(1,426,357)
Conditions met - Capital	(8,201,821)	(911,433)
Conditions still to be met	(199,466)	5,638,106
Various grants were received from other spheres of government (e.g. Library fund and Skills Development Grant)		

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>26 GOVERNMENT GRANTS AND SUBSIDIES (Continued)</b>		
<b>26.8 Total Grants</b>		
Opening balance	(581,465)	3,458,835
Grants received	85,906,075	75,698,767
Conditions met - Operating	(64,605,409)	(60,939,024)
Conditions met - Capital	(18,706,484)	(18,800,043)
Conditions still to be met/(Grant expenditure to be recovered)	<u>2,012,717</u>	<u>(581,465)</u>
Disclosed as follows:		
Unspent Conditional Government Grants and Receipts	8,463,004	10,129,340
Unpaid Conditional Government Grants and Receipts	(6,450,286)	(10,710,805)
	<u>2,012,717</u>	<u>(581,465)</u>
<b>27 SERVICE CHARGES</b>		
Electricity	178,867,700	145,892,045
Water	27,288,868	25,908,048
Refuse removal	13,004,125	12,230,162
Sewerage and Sanitation Charges	16,617,737	15,520,410
	<u>235,778,430</u>	<u>199,550,664</u>
Less: Rebates	(18,029,264)	(13,206,376)
<b>Total Service Charges</b>	<u>217,749,166</u>	<u>186,344,288</u>
<b>Balance previously reported</b>		<u>208,816,112</u>
Correction of error - Refer to note 38.6		<u>(22,471,824)</u>
		<u>186,344,288</u>

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>28 OTHER INCOME</b>		
Availability fees	2,258,027	2,032,000
Building plans	564,380	466,362
Bulk service levies	1,571,185	609,994
Cemeteries	227,886	233,488
Commission	122,159	114,857
Connection fees	1,605,316	1,654,898
Fair Value Adjustments	1,123	-
Fire brigade fees	58,767	39,875
Insurance claims	328,365	1,187,129
Photo copies	53,200	61,832
Planning application fees	327,841	140,951
Re-connection fees	374,006	251,684
Valuation certificates	49,510	49,750
Sundry income	3,223,652	1,944,292
<b>Total Other Income</b>	<u>10,765,417</u>	<u>8,787,112</u>

Sundry income represents sundry income such as cleaning of sites, private work and fees for items not included under service charges.

**29 EMPLOYEE RELATED COSTS**

Salaries and Wages	63,994,744	58,734,155
Bonus	6,029,462	5,624,495
Contributions for UIF, pensions and medical aids	15,546,693	13,663,660
Group Life Insurance	363,904	359,176
Housing Subsidy	531,535	598,794
Leave Reserve Fund	726,390	999,918
Long service awards	495,974	159,529
Overtime	4,141,598	4,127,946
Post Employment Health	1,412,935	1,170,313
Travel, motor car, telephone, assistance and other allowances	8,355,218	7,427,773
	<u>101,598,452</u>	<u>92,865,759</u>
Less: Employee Costs allocated elsewhere	-	-
<b>Total Employee Related Costs</b>	<u>101,598,452</u>	<u>92,865,759</u>

**KEY MANAGEMENT PERSONNEL**

Municipal Manager is appointed on a 5-year and all other Directors on a 5-year fixed contract. There are no post-employment or termination benefits payable to them at the end of the contract period.



## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>29 EMPLOYEE RELATED COSTS</b>		
<b>REMUNERATION OF KEY MANAGEMENT PERSONNEL</b>		
<i>Remuneration of the Municipal Manager</i>		
Annual Remuneration	741,020	623,864
Performance Bonuses	137,200	104,440
Car Allowance	108,000	143,000
Other Allowances	86,121	46,637
Contributions to UIF, Medical, Pension Funds and Bargaining Council	157,806	131,311
<b>Total</b>	<b>1,230,147</b>	<b>1,049,252</b>
<i>Remuneration of the Director Infrastructure Development</i>		
Annual Remuneration	529,079	425,000
Performance Bonuses	113,819	58,165
Car Allowance	156,869	156,869
Other Allowances	31,899	31,321
Contributions to UIF, Medical, Pension Funds and Bargaining Council	164,089	134,584
<b>Total</b>	<b>995,755</b>	<b>805,938</b>
<i>Remuneration of the Director Corporate Services</i>		
Annual Remuneration	567,672	488,625
Performance Bonuses	113,819	64,628
Car Allowance	131,568	133,138
Other Allowances	59,060	18,241
Contributions to UIF, Medical, Pension Funds and Bargaining Council	131,280	113,397
<b>Total</b>	<b>1,003,400</b>	<b>818,029</b>
<i>Remuneration of the Director Financial Services</i>		
Annual Remuneration	456,000	444,000
Performance Bonuses	113,819	64,628
Car Allowance	128,222	128,222
Other Allowances	197,912	74,403
Contributions to UIF, Medical, Pension Funds and Bargaining Council	108,787	103,346
<b>Total</b>	<b>1,004,740</b>	<b>814,599</b>
<i>Remuneration of the Director Community Services</i>		
Annual Remuneration	538,425	480,000
Performance Bonuses	113,819	58,165
Car Allowance	133,219	134,321
Other Allowances	108,451	36,382
Contributions to UIF, Medical, Pension Funds and Bargaining Council	114,737	102,319
<b>Total</b>	<b>1,008,651</b>	<b>811,187</b>

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>30 REMUNERATION OF COUNCILLORS</b>		
Mayor	601,264	573,231
Deputy Mayor	483,782	462,228
Speaker	480,398	462,856
Mayoral Committee Members	978,175	874,736
Councillors	2,719,410	2,622,422
<b>Total Councillors' Remuneration</b>	<b>5,263,028</b>	<b>4,995,472</b>
<b>In-kind Benefits</b>		
The Executive Mayor; Mayoral committee members and the Speaker are full-time Councillors. The full time councillors are provided with secretarial support and an office at the cost of the Council.		
<b>31 DEBT IMPAIRMENT</b>		
Long term Receivables - Note 18	1,562,010	1,491,680
Trade Receivables from exchange transactions - Note 21	2,457,941	2,704,573
Trade Receivables from non-exchange transactions - Note 22	954,694	1,030,991
<b>Total Contribution to Debt Impairment</b>	<b>4,974,645</b>	<b>5,227,244</b>
<b>32 DEPRECIATION AND AMORTISATION</b>		
Property Plant and Equipment	13,311,785	12,308,072
Capitalised Restoration Cost	545,286	239,628
Investment Property	5,829	5,829
Intangible Assets	589,060	434,688
	<b>14,451,960</b>	<b>12,988,217</b>
<b>Balance previously reported</b>		<b>22,188,362</b>
Change in accounting policy and correction of errors - Refer to the following notes 38.3; 38.4; 37.4; 37.5; 37.7 and 37.6		(9,200,145)
		<b>12,988,217</b>

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>33 FINANCE CHARGES</b>		
Bank Overdraft	36,418	2,893,705
Landfill site	154,891	-
Long service awards	342,126	-
Long-term Liabilities	4,831,998	5,148,303
Post Employment Health	2,554,745	-
<b>Total finance charges</b>	<b>7,920,178</b>	<b>8,042,008</b>
Balance previously reported		8,041,666
Correction of error - Refer to note 37.1		342
		<b>8,042,008</b>
<b>34 BULK PURCHASES</b>		
Electricity	125,827,700	97,211,445
Water	2,232,890	1,495,792
<b>Total Bulk Purchases</b>	<b>128,060,590</b>	<b>98,707,237</b>
<b>35 GRANTS AND SUBSIDIES</b>		
Destitute Grants	-	(0)
<b>Total Grants and Subsidies</b>	<b>-</b>	<b>(0)</b>
Balance previously reported		13,206,376
Correction of error - Refer to note 37.6		(13,206,376)
		<b>-</b>



## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>36 GENERAL EXPENSES</b>		
Advertisement Cost	339,413	475,859
Audit fees	1,530,065	1,530,706
Bank charges	598,740	462,292
Bursaries - Internal	244,881	153,967
Cell phone	633,125	734,171
Chemicals	3,409,025	2,518,003
Computer services	1,355,668	1,140,540
Connections	372,406	375,941
Data lines	1,290,333	1,038,010
Delegation Fees	168,310	285,388
Development Projects	391,854	496,354
Fuel	3,556,193	3,847,448
Insurance (Premiums & Claims cost)	1,399,081	1,131,194
IoD Insurance	875,351	856,368
Membership fees	522,495	489,198
Municipal Services Charges	22,018	26,430
Postage	740,288	755,072
Poverty Alleviation Projects	2,706,714	2,112,845
Printing & Stationary	941,299	952,298
Professional Services	1,585,741	1,183,652
Protective Clothing	355,689	310,775
Refuse bags	571,185	508,571
Rehabilitation	494,086	414,578
Skills Development Levy	895,688	767,292
Subsidy New Electrical connections	-	225,675
Tourism Marketing	743,454	999,193
Training cost	729,281	743,032
Transfer cost	331,488	221,614
Valuation cost	1,453,685	271,628
Other	3,174,754	2,523,662
<b>General Expenses</b>	<b>31,432,311</b>	<b>27,551,753</b>
Balance previously reported		36,817,201
Correction of error - Refer to note 38.6		(9,265,448)
		<b>27,551,753</b>

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>37 CHANGE IN ACCOUNTING POLICY IN TERMS OF GRAP 3</b>		
<b>37.1 NET ASSET RESERVES</b>		
Balance previously reported	187,635,069	
Capitalisation Reserve - Refer to note 2	(28,811,377)	
Government Grant Reserve - Refer to note 2	(122,483,339)	
	<u>36,340,353</u>	
Both the Capitalisation Reserve and the Government Grant Reserve is longer included in the accounting policy.		
<b>37.2 LONG-TERM LIABILITIES</b>		
Balance previously reported	42,542,600	
Correction of error - Refer to note 38.1	342	
Unamortised interest on loans - Refer to note 3	(1,031,045)	
	<u>41,511,897</u>	
Accounting for unamortised interest on loans.		
<b>37.3 UNSPENT GOVERNMENT GRANTS AND SUBSIDIES</b>		
Balance previously reported	345,939	
Shown as Unspent Public Contributions - Refer to note 11 and 10	211,433	
	<u>557,372</u>	
The amount contributed by Silwer Strand Association was previously included in Unspent Government Grants and subsidies		
<b>37.4 PROPERTY, PLANT AND EQUIPMENT</b>		
Balance previously reported	399,102,853	
Transfer to Capitalised Restoration Cost - Refer to note 13 and 16	(3,477,091)	
Recalculation of accumulated depreciation charges, due to componisation and reveiw of useful life - Refer to note 13	69,495,229	
Correction of errors - Refer to note 38.3	(82,674,002)	
	<u>382,446,990</u>	
Implimentation of GRAP 17 and ensure that all prorerty, plant and equipment is identified and measured.		

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>37 CHANGE IN ACCOUNTING POLICY IN TERMS OF GRAP 3 (Continued)</b>		
<b>37.5 INVESTMENT PROPERTY</b>		
Balance previously reported	17,975,479	
Recalculation of accumulated depreciation charges due to review of useful life and correction of error - Refer to note 14	(55,805)	
Correction of error - Refer to note 38.4	6,094,000	
	<u>24,013,674</u>	
Calculation of accumulated depreciation due to changes in category and review of usefull life		
<b>37.6 INTANGIBLE ASSETS</b>		
Balance previously reported	1,144,027	
Recalculation of accumulated depreciation charges due to review of useful life and correction of error - Refer to note	(187,921)	
	<u>956,106</u>	
Calculation of accumulated depreciation due to changes in category and review of usefull life		
<b>37.7 CAPITALISED RESTORATION COST</b>		
Balance previously reported	-	
First time reported separately from PPE - Refer to note 16	509,357	
	<u>509,357</u>	
Reporting of Capitalised restoration cost of landfill sites separately.		
<b>37.8 OPERATING LEASE ARRANGEMENTS</b>		
Balance previously reported	-	
First time implimentation smoothing of operating leases - Refer to note 23	1,019,843	
	<u>1,019,843</u>	
Implimentation and measurement of operating lease asset for the first time.		



## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>36 CHANGE IN ACCOUNTING POLICY IN TERMS OF GRAP 3 (Continued)</b>		
<b>36.9 RENTAL OF FACILITIES</b>		
Balance previously reported		1,369,844
Effect of smoothing operating leases - Refer to Statement of Financial Performance and note 23		9,968
		<u>1,379,812</u>
<b>36.10 LOSS OR GAIN ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT</b>		
Loss previously reported	(10,514,479)	
Effect on loss due to recalculation of depreciation - Refer to Statement of Financial Performance and note 37.4	5,031,549	
Effect on gain due to recalculation of depreciation - Refer to Statement of Financial Performance and note 37.4	-	
	<u>(5,482,930)</u>	
<b>38 CORRECTION OF ERROR IN TERMS OF GRAP 3</b>		
<b>38.1 LONG-TERM LIABILITIES</b>		
Balance previously reported	42,542,600	
Correction of loan balances - Refer to note 3	342	
Change in accounting policy - Refer to note 37.2	(1,031,045)	
	<u>41,511,897</u>	
Correcting interest allocation of loans effecting the long-term liabilities.		
<b>38.2 UNSPENT GOVERNMENT GRANTS AND SUBSIDIES</b>		
Balance previously reported	345,939	
Shown as Unspent Public Contributions - Refer to note 11	235,526	
	<u>581,465</u>	
The amount contributed by Silwer Strand Association was previously included in Unspent Government Grants and subsidies		

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>38 CORRECTION OF ERROR IN TERMS OF GRAP 3 (Continued)</b>		
<b>38.3 PROPERTY, PLANT AND EQUIPMENT</b>		
Balance previously reported		399,102,853
First time identification and measurement of sites registered in the name of the Municipality - Refer to note 13		14,870,800
Measurement of sites with zero values registered in the name of the Municipality - Refer to note 13		7,105,200
Measurement of moveable items with zero values - Refer to note 13		101,558
Identification and measurement of vehicle CER 2268 - Refer to note 13		7,412
Correction of control account with items in detail register - Refer to note 13		458,000
Removal of Housing Top structures - Refer to note 13		(95,734,906)
Disposal of sites used for Housing schemes - Refer to note 13		(8,524,000)
Removal of maintenance expenditure - Refer to note 13		(958,066)
Change in accounting policy - Refer to note 37.4		66,018,139
		<u>382,446,990</u>
Implementation of GRAP 17 and ensure that all property, plant and equipment is identified and measured.		
<b>38.4 INVESTMENT PROPERTY</b>		
Balance previously reported		17,975,479
First time identification and measurement of sites registered in the name of the Municipality - Refer to note 14		6,094,000
Change in accounting policy - Refer to note 36.5		(55,805)
		<u>24,013,674</u>
<b>38.5 GOVERNMENT GRANTS AND SUBSIDIES</b>		
Balance previously reported		80,029,472
Public contributions and donations incorrectly reported - Refer to note 25 and Statement of Financial Performance		(290,405)
		<u>79,739,067</u>
<b>38.6 SERVICE CHARGES</b>		
Balance previously reported		208,816,112
Rebates to indigent households - Refer to note 27 and 35		(13,206,376)
Municipal service charges treated as revenue and expenditure - Refer to Statement of Financial Performance and note 27		(9,265,448)
		<u>186,344,288</u>
Also effect the figure of General expenditure as the Municipal charges was also included in general expenditure.		

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>38 CORRECTION OF ERROR IN TERMS OF GRAP 3 (Continued)</b>		
<b>38.7 UNAMORTISED DISCOUNT</b>		
Balance previously reported		-
Unamortised discount - Interest		
- Refer to Statement of Financial performance and note 3		38,042
Unamortised discount - Interest paid		
- Refer to Statement of Financial performance and note 3		(124,343)
		<u>(86,301)</u>
<b>38.8 REPAIR AND MAINTENANCE</b>		
Balance previously reported		9,024,037
Correction of expenditure allocation		
- Refer to Statement of Financial performance and note		29,495
		<u>9,053,532</u>
Expenditure incorrectly allocated to other types of expenditure corrected.		
<b>38.9 OPERATING GRANT EXPENDITURE</b>		
Balance previously reported		1,146,042
Correction of expenditure allocation - Refer to Statement of Financial performance and note 38.3		24,039,425
		<u>25,185,467</u>
Expenditure on top structures of housing schemes incorrectly treated as capital expenditure in the past.		
<b>38.10 TAXES</b>		
Balance previously reported		(4,525,626)
Debt impairment for 2009/2010 - Refer to Statement of Financial performance and note 12.1		4,615
Debt impairment for prior periods - Refer to Statement of Changes in Net Assets and note 12.1		2,093,255
		<u>(2,427,756)</u>
The VAT portion on the impairment of long-term; exchange and non-exchange receivables treated in the past as an expenditure item in the position of financial performance.		

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>39 RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS</b>		
Surplus/(Deficit) for the year	21,068,860	17,641,726
<b>Adjustments for:</b>		
Depreciation/Amortisation	14,451,960	12,988,217
Loss on disposal of property, plant and equipment	1,569,504	5,485,430
(Gains) on disposal of property, plant and equipment	(168,655)	-
Impairment Loss	-	-
Impairment (Reversals)	-	-
Contributions to Non-Current Provisions	4,960,639	4,315,404
Debt Impairment	5,109,610	8,123,127
Actuarial Losses	1,336,500	1,846,398
Actuarial (Gains)	-	(99,075)
Unamortised discount	81,229	86,301
Bad debt written-off	(1,870,746)	(4,007,397)
Finance charges	471,148	343
Operating lease income accrued	(17,866)	(9,969)
Operating Surplus/(Deficit) before changes in working capital	46,992,185	46,370,505
Changes in working capital	10,712,331	(21,050,607)
Increase/(Decrease) in Payables from exchange transactions	9,704,370	2,002,816
Increase/(Decrease) in Provisions	323,111	677,857
Increase/(Decrease) in Employee benefits	(1,893,299)	729,133
Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	(1,666,336)	6,780,504
Increase/(Decrease) in Unspent Public Contributions	(172,677)	-
Increase/(Decrease) in Taxes	1,464,381	1,773,718
(Increase)/Decrease in Inventory	559,661	(1,984,559)
(Increase)/Decrease in Receivables from exchange and non-exchange transactions	(1,867,398)	(20,319,271)
(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	4,260,518	(10,710,805)
Cash generated/(absorbed) by operations	<u>57,704,516</u>	<u>25,319,898</u>

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>40 CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Call Investments Deposits - Note 24	70,000,000	75,000,000
Cash Floats - Note 24	8,217	8,217
Bank - Note 24	18,061,147	2,274,074
<b>Total cash and cash equivalents</b>	<b>88,069,364</b>	<b>77,282,291</b>
<b>41 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES</b>		
Cash and Cash Equivalents - Note 40	88,069,364	77,282,291
Investments - Note 17	7,441	6,318
	88,076,806	77,288,609
Less:	12,366,595	12,594,662
Unspent Committed Conditional Grants - Note 10	8,463,004	10,129,340
VAT - Note 12	3,903,591	2,465,322
<b>Resources available for working capital requirements</b>	<b>75,710,211</b>	<b>64,693,947</b>
<b>Allocated to:</b>		
Capital Replacement Reserve	29,207,935	36,340,353
Employee Benefits Reserve	46,378,153	42,129,204
Non-Current Provisions Reserve	3,958,481	3,651,377
<b>Resources available for working capital requirements</b>	<b>(3,834,358)</b>	<b>(17,426,987)</b>
<b>42 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION</b>		
Long-term Liabilities - Note 3	41,667,614	44,424,729
Used to finance property, plant and equipment - at cost	(41,667,614)	(44,424,729)
	-	-
Cash set aside for the repayment of long-term liabilities	-	-
<b>Cash invested for repayment of long-term liabilities</b>	<b>-</b>	<b>-</b>
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.		

## NOTES TO THE FINANCIAL STATEMENTS

2011

R

2010

R

43

BUDGET COMPARISONS

43.1 Operational	2011 R (Actual)	2011 R (Budget)	2011 R (Variance)	2011 (%)
REVENUE BY SOURCE				
Property Rates	23,826,569	23,992,097	(165,528)	-1%
Government Grants and Subsidies - Capital	18,706,484	-	18,706,484	100%
Government Grants and Subsidies - Operating	64,605,409	94,999,959	(30,394,550)	-32%
Public Contributions and Donations	413,740	350,000	63,740	18%
Gain on Foreign Exchange Transaction	4,523	-	4,523	100%
Fines	2,385,206	3,039,940	(654,734)	-22%
Service Charges	217,749,166	242,197,913	(24,448,747)	-10%
Rental of Facilities and Equipment	1,568,990	1,424,156	144,834	10%
Interest Earned - external investments	4,866,923	7,970,000	(3,103,077)	-39%
Interest Earned - outstanding debtors	1,332,092	1,700,000	(367,908)	-22%
Licences and Permits	1,111,859	1,202,828	(90,969)	-8%
Agency Services	1,562,916	1,100,000	462,916	42%
Other Income	10,765,417	11,586,083	(820,666)	-7%
Unamortised Discount - Interest	45,057	-	45,057	100%
Gain on disposal of Property, Plant and Equipment	168,655	-	168,655	100%
	349,113,005	389,562,976	(40,449,971)	-10%
EXPENDITURE BY NATURE				
Employee Related Costs	101,598,452	103,922,139	2,323,687	-2%
Remuneration of Councillors	5,263,028	6,039,035	776,007	-13%
Debt Impairment	4,974,645	6,860,567	1,885,922	-27%
Depreciation and Amortisation	14,451,960	30,093,736	15,641,776	-52%
Collection costs	916,446	1,000,000	83,554	-8%
Repairs and Maintenance	10,543,421	9,297,312	(1,246,109)	13%
Actuarial losses	1,336,500	-	(1,336,500)	-100%
Unamorised Discount - Interest paid	126,286	-	(126,286)	-100%
Finance Charges	7,920,178	9,955,245	2,035,067	-20%
Bulk Purchases	128,060,590	134,031,153	5,970,563	-4%
Contracted services	1,379,492	2,132,180	752,688	-35%
Grants and Subsidies	-	17,072,640	17,072,640	-100%
Stock Adjustments	-	-	-	0%
Operating Grant Expenditure	18,774,331	2,246,451	(16,527,880)	736%
General Expenses	31,432,311	34,493,341	3,061,030	-9%
Loss on disposal of Property, Plant and Equipment	1,266,504	-	(1,266,504)	100%
Fair Value Adjustments	-	-	-	0%
	328,044,145	357,143,799	29,099,654	-8%
Net Surplus for the year	21,068,860	32,419,177	(11,350,317)	-38%



## NOTES TO THE FINANCIAL STATEMENTS

2011  
R

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R

## 43 BUDGET COMPARISONS (Continued)

The budget amount above differs from the approved adjustment budget due to interdepartmental charges and Municipal services included as revenue in the approved budget.

The under realisation of Service charges is linked to the Municipal service charges and the change in the accounting treatment of subsidies to indigent households as income forgone.

43.2 Expenditure by Vote	2011 R (Actual)	2011 R (Budget)	2011 R (Variance)	2011 (%)
Community services	48,420,643	49,590,588	(1,169,945)	-2%
Corporate services	10,909,444	11,983,802	(1,074,358)	-9%
Executive & Council	25,428,831	28,776,726	(3,347,895)	-12%
Finance	22,614,829	38,874,893	16,260,064	-42%
Housing	21,306,970	9,706,079	11,600,891	120%
Infrastructure Development	199,363,428	218,211,711	(18,848,283)	-9%
	328,044,145	357,143,799	29,099,654	-8%

The budget amount above differs from the approved adjustment budget due to interdepartmental charges and Municipal services included as expenditure in the approved budget.

The over expenditure on the Housing vote is directly linked to the new accounting treatment of Housing scheme top structures, whilst the under expenditure is mainly linked to the unbundling of tangible infrastructure assets and the review of useful life of all capital assets.

43.3 Capital expenditure by vote	2011 R (Actual)	2011 R (Budget)	2011 R (Variance)	2011 (%)
Community services	10,026,925	12,485,100	(2,458,175)	-20%
Corporate services	1,034,821	1,100,000	(65,179)	-6%
Executive & Council	260,873	5,435,526	(5,174,653)	-95%
Finance	1,030,552	1,130,000	(99,448)	-9%
Housing	571,381	26,217,466	(25,646,085)	-98%
Infrastructure Development	29,902,598	31,994,494	(2,091,896)	-7%
	42,827,151	78,362,586	35,535,435	-45%

The material under spending on the Housing Vote is attributable to Housing Top Structures expenditure to the amount of 16 915 214, budgeted on the Capital Budget, which do not meet the definition criteria of assets in terms of GRAP 17 and which had to be reclassified as operating expenditure, the Capital Budget could not be adjusted downwards as this could only be done in terms of an approved Adjustments Budget.

## NOTES TO THE FINANCIAL STATEMENTS

2011  
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R

## 44 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

## 44.1 Unauthorised expenditure

Reconciliation of unauthorised expenditure:

Opening balance	-	-
Unauthorised expenditure for the year - capital	-	-
Unauthorised expenditure for the year - operating	11,600,891	12,459,543
Written off by council	-	(12,459,543)
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	11,600,891	-

Unauthorised expenditure on operating votes is mainly due to Housing (Treatment of Housing scheme top structures)

Incident	Disciplinary steps/criminal proceedings
Over expenditure on approved operational and capital budget.	Report to Council

## 44.2 Fruitless and wasteful expenditure

None.

## 43.3 Irregular expenditure

Reconciliation of irregular expenditure:

Opening balance	1,443,035	-
Irregular expenditure for the year	284,712	1,443,035
Written off by council	(1,443,035)	-
Transfer to receivables for recovery	-	-
Irregular expenditure awaiting further action	284,712	1,443,035

Incident	Disciplinary steps/criminal proceedings		
Purchases from Central Motors Suid Kaap (Edms) Bpk - Part time Councillor of Swellendam Municipality	Written off by Council resolution dated 2/12/2010	-	1,443,035
Ageement with Dr.J Rodegra in Foreign currency Sect 163 of MFMA	Report to Council	241,875	-

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>44 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED (Continued)</b>		
<div>Procurement with persons in service of the State linked to the following companies: Nashua Mobile; Canopy Country; Shine the Way and Masiqhame Trading 1529</div> <div>Report to Council</div>	42,837	-
	<b>284,712</b>	<b>1,443,035</b>
<b>44.4 Material Losses</b>		
<b>Water distribution losses</b>		
- Kilo litres disinfected/purified/purchased	7,628,220	7,264,600
- Kilo litres lost during distribution	960,585	944,460
- Percentage lost during distribution	12.59%	13.00%
<b>Electricity distribution losses</b>		
- Units purchased (Kwh)	298,185,654	294,154,313
- Units lost during distribution (Kwh)	18,467,742	21,509,137
- Percentage lost during distribution	6.19%	7.31%
<b>45 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT</b>		
<b>45.1 Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS</b>		
Opening balance	-	-
Council subscriptions	519,371	486,135
Amount paid - current year	(519,371)	(486,135)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-
<b>45.2 Audit fees - [MFMA 125 (1)(b)]</b>		
Opening balance	-	-
Current year audit fee	1,530,066	1,530,706
External Audit - Auditor-General	1,179,319	1,517,864
Audit Committee	350,747	12,842
Amount paid - current year	(1,530,066)	(1,530,706)
Amount paid - previous year	-	-
Balance unpaid (included in creditors)	-	-

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>45 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (Continued)</b>		
<b>45.3 VAT - [MFMA 125 (1)(b)]</b>		
Opening balance	(2,598,286)	295,341
Amounts received - current year	32,237,528	29,580,117
Amounts received - previous years	2,598,286	(295,341)
Amounts claimed - current year	(30,302,378)	(32,178,403)
Closing balance - Receivable	<b>1,935,150</b>	<b>(2,598,286)</b>
Vat in suspense due to cash basis of accounting		
Input VAT	11,455	37,567
Output VAT	(4,809,965)	(4,087,767)
Receivable	<b>(4,798,510)</b>	<b>(4,050,200)</b>
VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors.		
<b>45.4 PAYE, SDL and UIF - [MFMA 125 (1)(b)]</b>		
Opening balance	-	-
Current year payroll deductions and Council Contributions	10,668,228	8,769,176
Amount paid - current year	(10,668,228)	(8,769,176)
Balance unpaid (included in creditors)	-	-
<b>45.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]</b>		
Opening balance	-	-
Current year payroll deductions and Council Contributions	14,614,534	13,057,458
Amount paid - current year	(14,614,534)	(13,057,458)
Balance unpaid (included in creditors)	-	-
<b>45.6 Councillor's arrear consumer accounts - [MFMA 125 (1)(b)]</b>		
The following Councillors had arrear accounts for more than 90 days as at 30 June:		
DE KOKER, TS	10,963	-
CROUWCAMP, NP	21,424	-
HULL, DA (R R & P B HULL)	5,148	-
Total Councillor Arrear Consumer Accounts	<b>37,535</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS

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**45 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (Continued)**

**45.7 Disclosers in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005**

Regulation 36(2) - Details of deviations any deviations approved by the Accounting Officer in terms of Regulation 36 (1)(a) and (b)

	Type of deviation				
	Amount	Single Supplier	Impossible	Impractical	Emergency
July	728,800	43	-	14	13
August	621,970	30-	29	10	
September	1,164,258	31	-	16	33
October	942,155	40	-	22	32
November	758,456	27	-	28	15
December	400,565	8	-	16	17
January	701,911	22	-	17	17
February	739,513	29	-	16	14
March	1,117,165	32	-	17	19
April	295,936	20	-	8	7
May	508,296	10	6	18	
June	781,035	21	-	15	17
	8,760,060	313	-	204	212

Regulation 45 - Details of awards made to close family members of persons in service of State

Name of supplier	Member of company who has relationship with person in the service of the state	Relationship to person in the service of the state	Name of person in the service of the state	Employer and capacity of person in service of the state	Value of transactions
Vinn investment no.17 t/a Talk of the Town	Mrs. Suzanne Nel	Husband	Mr. N Nel	Swellendam Municipality Municipal Manager	R 4,335
Wyland rekenaardienste	Mr. F Mouton	Father	Mr. L Mouton	Langeberg Municipality Clerk: Expenditure	R 2,640

## NOTES TO THE FINANCIAL STATEMENTS

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R

**45 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (Continued)**

Regulation 45 - Details of awards made to persons who has been in the service of the State during the previous 12 months:

Name of supplier	Name of person in service of the state	Position occupied in company	Last day in service of the state	Employer and capacity of person	Value of transactions
None					

**45.8 Other non-compliance (MFMA 125(2)(e))**

Non-compliance with Sect 13(c) of the Supply Chain Management Regulations were identified. Specifically with regard to the declaration of interest in respect of quotations less than R 30,000. The amount identified is disclosed as irregular expenditure.

Non-compliance to the Supply Chain Management Regulations were identified in terms of Regulation 44 as detailed below:

Name of supplier	Name of person in service of the state	Position occupied in company	Employer and capacity of person	Value of transactions
Adenco Construction (Pty) Ltd	HV Machimana	Trustee	Limpopo Department of Welfare; Official	R 2,561,051
Nashua Mobile	D Mazibuko		National Department Art & Culture	R 8,586
Canopy Country	M Fourie		Western Cape: Health	R 830
Shine the Way	LP Gumede		Kwazulu Natal: Education & Culture	R 30,050
Masiqhambe Trading 1529	MJ Faku		Western Cape: Health	R 3,371



## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
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#### 45 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (Continued)

Other non-compliance issues were identified as detailed below:

Requirement	Relevant Legislation	Non-compliance
The Municipality must prepare and submit the financial statements within two months after the financial year end.	MFMA Sec. 126(1)	The financial statements was submitted on 16 September 2011.
The Accounting Officer must submit the approved annual budget to the National Treasury and the relevant Provincial Treasury, within 10 working days after council approved the annual budget.	MFMA Sec. 24(3) and Municipal budget and reporting regulation 20(1) (GNR 393 of 17 April 2009)	The annual budget for 2011/12 was approved on 19 April 2011 and submitted to National Treasury on the 10 May 2011.
The Mayor must approve the budget implementation plan within 28 days after the approval of the budget.	MFMA Sec. 53(c)(ii)	The annual budget for 2010/11 was approved on 24 May 2010 and the Mayor approved the SDBIP on 24 June 2010.
The Municipal Manager must make public the approved service delivery and budget implementation plan within 10 working days after it was approved by the Mayor.	Municipal budget and reporting regulation 19 (GNR 393 of 17 April 2009)	The SDBIP was made public on 12 July 2010 via the municipality website.
The Accounting Officer must submit the approved adjustment budget to the National Treasury and the relevant Provincial Treasury within 10 working days after the council approved the adjustment budget.	MFMA Sec. 28(7) and Municipal budget and reporting regulation 27(1) (GNR 393 of 17 April 2009)	The adjustment budget for 2010/11 was approved on the 26 January 2011 and submitted to National Treasury and the relevant Provincial Treasury on 14 February 2011.
The Accounting Officer must submit by no later than 10 working days after the end of each month, to the Mayor and the relevant Provincial Treasury a statement on the state of the municipality's budget	MFMA Sec. 71(1)	Not all the Section 71 reports were submitted on time.
The monthly budget statement must comply with the requirements of the MFMA.	MFMA Sec. 71(2)	The monthly budget statements submitted do not comply with the legislative requirements.
The monthly budget statements must be placed on the municipality's website.	Municipal budget and reporting regulation 34(1) (GNR 393 of 17 April 2009)	Monthly budget statements were not placed on the municipality's website.
The mid-year budget and performance assessment report must be submitted by 25 January, to: i) the Mayor ii) the National Treasury iii) the relevant Provincial Treasury	MFMA sec. 72(1)(b)	The mid-year budget and performance assessment was discussed with the Mayor on 16 February 2011 and submitted to National Treasury and the relevant provincial treasury thereafter.

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
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#### 45 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (Continued)

Requirement	Relevant Legislation	Non-compliance
The mid-year budget and performance assessment report must be placed on the municipality's website by 31 January.	Municipal budget and reporting regulation 5 (GNR 393 of 17 April 2009)	The mid-year budget and performance assessment was not placed on the municipality's website.
The Municipal Manager must make public the approved adjustment budget within 10 working days after the Council approved the adjustment budget.	Municipal budget and reporting regulation 26(1) (GNR 393 of 17 April 2009)	No audit evidence exists to confirm that the adjustment budget was made public within 10 working days after council approval.

#### 46 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

Approved and contracted for:

	13,161,367	1,700,000
Infrastructure	4,411,367	1,700,000
Community	8,500,000	-
Other	250,000	-

Approved but not yet contracted for

	70,400,017	76,662,586
Infrastructure	54,012,949	56,511,960
Community	2,100,000	7,263,100
Other	14,287,068	12,887,526

**Total**

**83,561,384 78,362,586**

This expenditure will be financed from:

External Loans	-	1,700,000
Capital Replacement Reserve	29,207,935	28,628,824
Government Grants	51,003,449	43,144,236
	3,350,000	4,889,526

**Total**

**83,561,384 78,362,586**

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>47 FINANCIAL RISK MANAGEMENT</b>		
The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.		
<b>(a) Foreign Exchange Currency Risk</b>		
The municipality did engage in one foreign currency transaction. The risk is low due to the avalue of the transaction.		
<b>(b) Price risk</b>		
The municipality is not exposed to price risk.		
<b>(c) Interest Rate Risk</b>		
As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.		
The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.		
The municipality did not hedge against any interest rate risks during the current year.		
The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:		
1% (2010 - 0.5%) Increase in interest rates	473,508	169,434
0.5% (2010 - 0.5%) Decrease in interest rates	(236,754)	(169,434)

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
<b>47 FINANCIAL RISK MANAGEMENT (Continued)</b>		
<b>(d) Credit Risk</b>		
Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss.		
Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.		
Trade and other debtors are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.		
All rates and services are payable within 30 days from invoice date. Refer to note 21 and 22 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 21 for balances included in receivables that were re-negotiated for the period under review.		

## NOTES TO THE FINANCIAL STATEMENTS

2011  
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2010  
R

## 47 FINANCIAL RISK MANAGEMENT (Continued)

Balances past due not impaired:

	2011 %	2011 R	2010 %	2010 R
NON-EXCHANGE RECEIVABLES				
Rates and other receivables	100.00%	3,930,999	100.00%	3,861,214
EXCHANGE RECEIVABLES				
Electricity	52.11%	8,897,894	46.93%	7,893,568
Water	20.49%	3,499,168	23.63%	3,975,342
Refuse	8.83%	1,507,318	8.84%	1,486,129
Sewerage	11.17%	1,908,097	11.19%	1,882,974
Other	7.40%	1,263,113	9.40%	1,581,854
	100.00%	17,075,591	100.00%	16,819,867

No receivables are pledged as security for financial liabilities.

Due to the short term nature of receivables the carrying value disclosed in note 21 and 22 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2011 %	2011 R	2010 %	2010 R
NON-EXCHANGE RECEIVABLES				
Rates and other receivables	100.00%	5,665,065	100.00%	5,296,235
EXCHANGE RECEIVABLES				
Electricity	52.11%	4,364,485	46.93%	3,380,205
Water	20.49%	1,716,369	23.63%	1,702,332
Refuse	8.83%	739,351	8.84%	636,394
Sewerage	11.17%	935,936	11.19%	806,332
Other	7.40%	619,567	9.40%	677,386
	100.00%	8,375,708	100%	7,202,649

## NOTES TO THE FINANCIAL STATEMENTS

2011  
R

2010  
R

## 47 FINANCIAL RISK MANAGEMENT (Continued)

Bad debts written off per debtor class:

	2011 %	2011 R	2010 %	2010 R
NON-EXCHANGE RECEIVABLES				
Rates	100.00%	585,864	100.00%	97,441
EXCHANGE RECEIVABLES				
Electricity	52.11%	669,537	46.93%	1,834,943
Water	20.49%	263,301	23.63%	924,110
Refuse	8.83%	113,421	8.84%	345,466
Sewerage	11.17%	143,578	11.19%	437,717
Other	7.40%	95,045	9.40%	367,719
	100.00%	1,284,882	100.00%	3,909,956

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectations of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment.

Financial assets exposed to credit risk at year end are as follows:

Long term receivables	3,708,101	3,699,405
Receivables from exchange transactions	17,075,591	16,819,867
Receivables from non-exchange transactions	4,748,537	4,383,074
Cash and Cash Equivalents	88,069,364	77,282,291
Non-Current Investments	7,441	6,318
Unpaid conditional grants and subsidies	6,450,286	10,710,805
	120,059,321	112,901,760



## NOTES TO THE FINANCIAL STATEMENTS

2011

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R

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FINANCIAL RISK MANAGEMENT (Continued)

(e)

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity’s risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity’s financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

2011	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
Long Term liabilities	7,048,330	25,985,734	27,338,956	7,433,179
Capital repayments	3,390,561	13,584,834	21,543,759	7,207,466
Interest	3,657,769	12,400,900	5,795,198	225,713
Trade and Other Payables	33,931,705	-	-	-
Unspent conditional government grants and receipts	8,463,004	-	-	-
Cash and Cash Equivalents	-	-	-	-
	49,443,039	25,985,734	27,338,956	7,433,179

## NOTES TO THE FINANCIAL STATEMENTS

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FINANCIAL RISK MANAGEMENT (Continued)

2010	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
Long Term liabilities	11,924,031	26,900,552	30,722,329	10,182,977
Capital repayments	1,881,787	12,938,823	22,706,182	9,642,564
Interest	10,042,244	13,961,729	8,016,147	540,413
Trade and Other Payables	24,716,988	-	-	-
Unspent conditional government grants and receipts	10,129,340	-	-	-
Cash and Cash Equivalents	-	-	-	-
	46,770,359	26,900,552	30,722,329	10,182,977



## NOTES TO THE FINANCIAL STATEMENTS

		2011 R	2010 R
<b>48 FINANCIAL INSTRUMENTS</b>			
In accordance with IAS 39.09 the financial instruments of the municipality are classified as follows:			
The fair value of financial instruments approximates the amortised costs as reflected bellow.			
<b>48.1 Financial Assets</b>	<b>Classification</b>		
<b>Investments</b>			
Fixed Deposits	Financial instruments at amortised cost	-	-
<b>Long-term Receivables</b>			
Provincial Government Housing Loans - At amortised cost		2,986,626	3,008,103
Staff Study loans - At amortised cost		0	165,472
Services connections - At amortised cost		625,683	523,498
Land Sales - At amortised cost		1,499,319	581,897
Short-term Installments		94,839	-
Agreements with Consumer Debtors		9,748,583	8,970,408
<b>Receivables</b>			
Receivables from exchange transactions	Financial instruments at amortised cost	17,075,591	16,819,867
Receivables from non-exchange transactions	Financial instruments at amortised cost	4,748,537	4,383,074
<b>Other Receivables</b>			
Government Subsidies and Grants	Financial instruments at amortised cost	6,450,286	10,710,805
<b>Short-term Investment Deposits</b>			
Call Deposits	Financial instruments at amortised cost	70,000,000	75,000,000
<b>Bank Balances and Cash</b>			
Bank Balances	Financial instruments at amortised cost	18,061,147	2,274,074
Cash Floats and Advances	Financial instruments at amortised cost	8,217	8,217
		<b>131,298,829</b>	<b>122,445,417</b>
<b>SUMMARY OF FINANCIAL ASSETS</b>			
Financial instruments at amortised cost		131,298,829	122,445,417
At amortised cost		<b>131,298,829</b>	<b>122,445,417</b>

## NOTES TO THE FINANCIAL STATEMENTS

		2011 R	2010 R
<b>48 FINANCIAL INSTRUMENTS (Continued)</b>			
<b>48.2 Financial Liability</b>	<b>Classification</b>		
<b>Long-term Liabilities</b>			
Annuity Loans	Financial instruments at amortised cost	38,264,765	42,466,502
Capitalised Lease Liability	Financial instruments at amortised cost	12,288	76,440
<b>Payables from exchange transactions</b>			
Trade Payables	Financial instruments at amortised cost	31,835,354	23,067,060
Payments received in advance	Financial instruments at amortised cost	3,220,474	3,221,154
Retentions and Guarantees	Financial instruments at amortised cost	716,310	225,978
Sundry Deposits	Financial instruments at amortised cost	1,846,583	1,649,928
Sundry Creditors	Financial instruments at amortised cost	249,769	(0)
<b>Other Payables</b>			
Government Subsidies and Grants	Financial instruments at amortised cost	8,463,004	10,129,340
<b>Current Portion of Long-term Liabilities</b>			
Annuity Loans	Financial instruments at amortised cost	3,326,410	1,653,333
Capitalised Lease Liability	Financial instruments at amortised cost	64,151	228,454
		<b>87,999,107</b>	<b>82,718,188</b>
<b>SUMMARY OF FINANCIAL LIABILITY</b>			
Financial instruments at amortised cost		<b>87,999,107</b>	<b>82,718,188</b>

**49 EVENTS AFTER THE REPORTING DATE**

The demarcation board included a portion of the Cape Winelands District Municipality District Management Area in the jurisdiction area of the municipality. The inclusion of the area will take place as on the 1 July 2011. The impact of the inclusion is not material and will not adversely affect the operations of the municipality.



## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
--	-----------	-----------

**50 IN-KIND DONATIONS AND ASSISTANCE**

The municipality did not receive any in-kind donations or assistance during the year under review.

**51 PRIVATE PUBLIC PARTNERSHIPS**

Council has not entered into any private public partnerships during the financial year.

**52 CONTINGENT LIABILITY**

Claim against Council	1,392,236	1,254,266
-----------------------	-----------	-----------

The Municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if the claimant is successful in their action. The following is the estimate exposure:

Yethu Projects / Nurcha Finance Company	1,392,236	1,254,266
	<u>1,392,236</u>	<u>1,254,266</u>

The Municipality is defending the claim. The company is under liquidation. During the 2009/2010 year a dispute arose between the municipality and a contractor (Yethu Projects (Pty) Ltd) regarding non performance in terms of the contract for the construction of low cost houses. As a result of this dispute the contractor issued a final payment certificate for R909 919 (incl. VAT). The municipality conducted its own inspection of the construction project and determined that the actual amount outstanding was R663 736 (incl. VAT) and made payment to the contractor. This payment was rejected by the contractor and the cheque was returned to the municipality. In turn the contractor then lodged a claim for an amount of R2 091 894 plus interest thereon at prime plus 0.2% via its attorneys. The amount of R 663 736 (incl. VAT) is included as an amount payable from exchange transactions. The amount indicated is Management's estimated financial exposure.

The legal matters with regard to SALA and the Cape Joint Pension Fund was included as provisions last year and was adjusted with the interest exposure.

**53 RELATED PARTIES**

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

**53.1 Related Party Loans**

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date are disclosed in note 18 to the Annual Financial Statements.

## NOTES TO THE FINANCIAL STATEMENTS

	2011 R	2010 R
--	-----------	-----------

**53 RELATED PARTIES (Continued)****53.2 Compensation of key management personnel**

The compensation of key management personnel is set out in note 29 to the Annual Financial Statements.

**53.3 Other related party transactions**

No purchases were made during the year where Councillors or staff have an interest.





## APPENDIX A - UNAUDITED

## Schedule of External Loans as at 30 June 2011

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2010		Correction	Balance at 30 June 2010 Restated	Received during the period	Adjustments	Interest portion payable at period end	Redeemed or written off during the period	Balance at 30 June 2011
ANNUITY LOANS												
DBSA	10.00%	10287/102	2016/03/31	146,463		210	146,673	-	5,370	3,108	16,639	127,772
DBSA	12.00%	10287/202	2015/09/30	21,916		132	22,048	-	917	552	2,671	19,012
DBSA	15.00%	10422/102	2018/03/31	622,764		-	622,764	-		21,625	44,518	599,870
DBSA	14.00%	10422/203	2018/09/30	370,001		-	370,001	-		12,046	24,878	357,170
DBSA	16.00%	11124/103	2019/06/30	1,438,888		-	1,438,888	-		-	80,119	1,358,769
DBSA	16.50%	11174/102	2018/12/31	487,915		-	487,915	-		-	29,504	458,411
DBSA	15.75%	11192/101	2018/12/31	4,144,873		-	4,144,873	-		-	258,793	3,886,080
DBSA (Loan Fund)	13.22%	11328/101	2014/06/30	39,656		-	39,656	-		-	8,104	31,551
DBSA (Public Debt Commissioner)	13.30%	12349/101	2012/12/31	187,779		-	187,779	-		-	67,991	119,788
DBSA (Public Debt Commissioner)	13.75%	12350/101	2014/06/30	420,035		-	420,035	-		-	85,138	334,897
DBSA (Loan Fund)	16.15%	12351/101	2011/06/30	77,788		-	77,788	-		-	77,788	-
DBSA (Loan Fund)	16.15%	12352/101	2011/06/30	3,312		-	3,312	-		-	3,312	-
DBSA	16.50%	13341/102	2019/12/31	3,384,222		-	3,384,222	-		-	166,175	3,218,047
DBSA	7.43%	13452/102	2020/06/30	1,150,619		-	1,150,619	-		-	115,062	1,035,557
DBSA	7.43%	13452/301	2019/12/31	1,470,934		-	1,470,934	-		-	154,835	1,316,099
DBSA	8.72%	13586/101	2020/12/31	488,350		-	488,350	-		-	46,510	441,841
DBSA	8.25%	13760/101	2020/12/31	2,222,430		-	2,222,430	-		-	211,660	2,010,770
DBSA	8.25%	99999/1	2024/12/31	927,748		-	927,748	-		-	63,983	863,765
Cogmanskloof Irrigation Board (CBR)			2017/07/31	37,686		-	37,686	-		-	-	37,686
Pensionfund	15.10%	E39	2012/12/31	324,920		-	324,920	-		-	-	324,920
ABSA Bank	15.25%	209/12	2012/12/31	12,845		-	12,845	-		-	4,579	8,265
DBSA	7.17%	102290/1	2027/03/31	26,138,349		-	26,138,349	-		439,761	1,537,550	25,040,560
Total Annuity Loans				44,119,493		343	44,119,835	-	6,287	477,093	2,999,809	41,590,831
LEASE LIABILITY												
MINOLTA	12.22%	B211 - 4104488	31/12/2010	5,307		-	5,307	-		-	5,307	0
MINOLTA	12.22%	B211 - 4104501	31/12/2010	5,307		-	5,307	-		-	5,307	0
MINOLTA	18.17%	B211 - 4107719	31/08/2011	11,352		-	11,352	-		-	9,581	1,772
MINOLTA	8.59%	B350 - 21219171	31/01/2012	21,601		-	21,601	-		-	13,300	8,301
MINOLTA	7.34%	B350 - 21216750	31/08/2011	19,666		-	19,666	-		-	16,753	2,913
MINOLTA	7.34%	B350 - 21216757	31/08/2011	19,666		-	19,666	-		-	16,753	2,913
MINOLTA	7.34%	B350 - 21216779	31/09/2011	21,007		-	21,007	-		-	16,651	4,357
MINOLTA	7.34%	B350 - 21216775	31/08/2011	19,666		-	19,666	-		-	16,753	2,913
MINOLTA	8.59%	B350 - 21216816	31/08/2011	16,197		-	16,197	-		-	13,783	2,414
MINOLTA	24.63%	C253 - E041003232	31/10/2011	39,888		-	39,888	-		-	28,670	11,218
MINOLTA	16.16%	B920 - 57GL00831	31/08/2011	86,237		-	86,237	-		-	72,907	13,330
NASHUA	10.00%	V 4499204836	28/02/2013	11,055		-	11,055	-		-	3,806	7,249
NASHUA	10.00%	V 4499204844	28/02/2013	11,055		-	11,055	-		-	3,806	7,249
NASHUA	10.00%	L 6806360527	2010-2013	16,890		-	16,890	-		-	5,080	11,810
Total Lease Liabilities				304,894		-	304,894	-	-	-	228,454	76,440
TOTAL EXTERNAL LOANS				44,424,387		343	44,424,729	-	6,287	477,093	3,228,264	41,667,271

**APPENDIX B - UNAUDITED**

*Segmental Statement of Financial Performance for the Year Ended 30 June 2011*  
*Municipal Votes Classification*

2010 Actual Income	2010 Actual Expenditure	2010 Surplus/ (Deficit)				2011 Actual Income	2011 Actual Expenditure	2011 Surplus/ (Deficit)
R	R	R				R	R	R
16,711,491	(43,675,526)	(26,964,035)	Community services		Community services	18,000,705	(48,420,643)	(30,419,938)
293,783	(10,169,751)	(9,875,968)	Corporate services		Corporate services	1,593,259	(10,909,444)	(9,316,184)
1,969,878	(25,743,656)	(23,773,779)	Executive & Council		Executive & Council	8,414,362	(25,428,831)	(17,014,470)
62,161,505	(21,514,748)	40,646,756	Finance		Finance	71,755,447	(22,614,829)	49,140,619
24,660,098	(32,406,922)	(7,746,824)	Housing		Housing	17,612,783	(21,306,970)	(3,694,187)
206,249,869	(160,894,293)	45,355,576	Infrastructure Development		Infrastructure Development	231,736,448	(199,363,428)	32,373,020
312,046,623	(294,404,897)	17,641,726	Sub Total		Sub Total	349,113,005	(328,044,145)	21,068,860
-	-	-				-	-	-
312,046,623	(294,404,897)	17,641,726	<b>Total</b>		<b>Total</b>	349,113,005	(328,044,145)	21,068,860





**APPENDIX C - UNAUDITED**

*Segmental Statement of Financial Performance for the Year Ended 30 June 2011*  
*General Finance Statistic Classifications*

2010 Actual Income	2010 Actual Expenditure	2010 Surplus/ (Deficit)				2011 Actual Income	2011 Actual Expenditure	2011 Surplus/ (Deficit)
R	R	R				R	R	R
1,969,290	(26,418,685)	(24,449,395)	Executive & Council		Executive & Council	1,838,469	(25,616,780)	(23,778,312)
61,722,478	(18,623,811)	43,098,667	Budget & Treasury		Budget & Treasury	71,755,447	(18,609,940)	53,145,507
963,904	(13,481,281)	(12,517,376)	Corporate Services		Corporate Services	2,140,559	(15,858,817)	(13,718,257)
656,002	(3,385,665)	(2,729,663)	Planning & Development		Planning & Development	7,497,415	(4,655,732)	2,841,683
-	-	-	Health		Health	-	-	-
1,382,178	(8,650,177)	(7,267,999)	Community & Social Services		Community & Social Services	1,426,718	(9,748,955)	(8,322,238)
24,660,098	(32,406,922)	(7,746,824)	Housing		Housing	17,612,783	(21,306,970)	(3,694,187)
4,479,031	(10,601,291)	(6,122,260)	Public Safety		Public Safety	5,193,335	(11,557,111)	(6,363,776)
181,974	(1,025,077)	(843,103)	Sport & Recreation		Sport & Recreation	154,929	(1,867,293)	(1,712,363)
292,344	(10,657,290)	(10,364,946)	Environmental Protection		Environmental Protection	1,334,781	(11,212,774)	(9,877,993)
10,375,964	(12,741,691)	(2,365,728)	Waste Management		Waste Management	9,890,943	(14,034,511)	(4,143,568)
12,838,552	(10,756,044)	2,082,508	Waste Water Management		Waste Water Management	12,131,123	(11,263,850)	867,274
1,832,205	(11,315,384)	(9,483,180)	Road Transport		Road Transport	119,214	(12,687,844)	(12,568,630)
41,734,661	(19,377,663)	22,356,997	Water		Water	36,918,810	(23,748,201)	13,170,609
148,957,943	(114,963,916)	33,994,027	Electricity		Electricity	181,098,479	(145,875,367)	35,223,112
<b>312,046,623</b>	<b>(294,404,897)</b>	<b>17,641,726</b>	<b>Total</b>		<b>Total</b>	<b>349,113,005</b>	<b>(328,044,145)</b>	<b>21,068,860</b>





## APPENDIX D - UNAUDITED

Disclosures of Grants and Subsidies in Terms of Section 123 of MFMA, 56 of 2003

UNSPENT AND UNPAID GOVERNMENT GRANTS AND RECEIPTS	Balance 1 JULY 2009	Grants Received		Write Offs / Transfers	Operating expenditure during the year Transferred to revenue	Capital expenditure during the year Transferred to revenue	Balance 30 JUNE 2010
	R	R		R	R	R	R
<i>National Government Grants</i>							
MSIG	561,975	735,000		-	463,477	439,027	394,471
Zolani Taxi Rank	-	800,000		-	-	-	800,000
Masterplans	54,386	-		-	-	-	54,386
MIG	-	6,481,000		-	963,934	2,250,296	3,266,770
Equitable Share	-	33,363,266		-	33,363,266	-	-
MIG	-1,395,566	15,379,000		-	-	14,776,257	-792,823
FMG	433,471	750,000		-	682,566	398,925	101,980
INEP	-	-		-	-	24,105	-24,105
<i>Provincial Government Grants</i>							
Library services	-	813,931		-	813,931	-	-
Main roads	-	72,000		-	72,000	-	-
Masakhane	353,117	-		-	-	-	353,117
Housing	42,250	240,755		-	-	-	283,005
Job creation	128,050	-		-	-	-	128,050
Social Development	1,500,000	1,500,000		-	-	-	3,000,000
Housing	167,671	-		-	-	-	167,671
Housing	17,903	-		-	-	-	17,903
Dept Water Affairs	45,000	95,000		-	-	-	140,000
Training	433,446	363,834		-	378,174	-	419,106
Housing	-	14,404,981		-	24,039,425	-	-9,634,444
CDW	-	-		-	48,000	-	-48,000
<i>District Municipality Grants</i>							
ID Documents	81,677	-		-	48,417	-	33,260
Route 62 projects	37,377	-		-	-	-	37,377
PIMS	76,935	-		-	-	-	76,935
Pre-paid Watermeters	108,527	-		-	-	-	108,527
Ward Committees	150,000	-		-	-	-	150,000
PIMS	17,560	-		-	-	-	17,560
McGregor Dam	25,000	-		-	-	-	25,000
Bakery Project	287,656	-		-	65,836	-	221,821
Landfil site	332,400	-		-	-	-	332,400
Tarring of Streets	-	700,000		-	-	700,000	-
Cleanest Town	-	-		-	-	211,433	-211,433
Housing Emergency Grant	-	-		-	-	-	-
<b>TOTAL</b>	<b>3,458,835</b>	<b>75,698,767</b>		<b>-</b>	<b>60,939,024</b>	<b>18,800,043</b>	<b>-581,465</b>

## APPENDIX D - UNAUDITED

Disclosures of Grants and Subsidies in Terms of Section 123 of MFMA, 56 of 2003

UNSPENT AND UNPAID GOVERNMENT GRANTS AND RECEIPTS	Balance 1 JULY 2010	Grants Received		Write Offs / Transfers	Operating expenditure during the year Transferred to revenue	Capital expenditure during the year Transferred to revenue	Balance 30 JUNE 2011
	R	R		R	R	R	R
<i>National Government Grants</i>							
MSIG	394,471	750,000		-	1,068,526	-	75,945
Zolani Taxi Rank	800,000	1,600,000		-	266,295	1,902,111	231,594
Masterplans	54,386	-		-	-	-	54,386
MIG	3,266,770	-		-	81,340	754,795	2,430,636
Equitable Share	-	41,768,661		-	41,768,661	-	-
MIG	-792,823	7,745,000		-	1,356,544	9,689,603	-4,093,970
FMG	101,980	1,000,000		-	888,514	-	213,467
INEP	-24,105	90,000		-	8,437	60,265	-2,807
<i>Provincial Government Grants</i>							
Library services	-	797,136		-	797,136	-	-
Main roads	-	82,000		-	82,000	-	-
Masakhane	353,117	-		-	-	-	353,117
Housing Consumer Education	283,005	6,000		-	-	-	289,005
Housing Emergency Grant	-	11,126		-	4,053	28,947	-21,874
Job creation	128,050	-		-	-	-	128,050
Social Development	3,000,000	-		-	629,635	4,500,000	-2,129,635
Housing Home Sanitation	167,671	-		-	-	-	167,671
Housing	17,903	-		-	-	-	17,903
Dept Water Affairs	140,000	-		-	-	-	140,000
Training	419,106	222,591		-	407,786	-	233,911
Housing	-9,634,444	29,733,561		-	16,991,857	-	3,107,260
CDW	-48,000	-		-	-	-	-48,000
<i>District Municipality Grants</i>							
ID Documents	33,260	-		-	-	-	33,260
Route 62 projects	37,377	-		-	-	-	37,377
PIMS	76,935	-		-	20,788	-	56,147
Pre-paid Watermeters	108,527	-		-	-	-	108,527
Ward Committees	150,000	-		-	-	-	150,000
PIMS	17,560	-		-	-	-	17,560
McGregor Dam	25,000	-		-	-	-	25,000
Bakery Project	221,821	-		-	3,450	-	218,371
Landfil site	332,400	-		-	-	-	332,400
Tarring of Streets	-	1,100,000		-	154,000	1,100,000	-154,000
Cleanest Town	-211,433	1,000,000		-	76,387	670,763	41,416
<b>TOTAL</b>	<b>-581,465</b>	<b>85,906,075</b>		<b>-</b>	<b>64,605,409</b>	<b>18,706,484</b>	<b>2,012,717</b>

**INFRASTRUCTURE DEVELOPMENT**

Housing	125
Electricity Services	126
Town Planning	130
Civil Engineering (Roads, Water, Stormwater, Sewerage)	136
Municipal Infrastructure Grant (Mig)	137
Expanded Public Works Programme (EPWP)	138

**COMMUNITY SERVICES**

Library, Sports Facilities, Community Halls And Swimming Pools	140
Traffic And Licensing Services	147
Disaster Management And Fire Services	150
Environmental Services	153
Parks And Cemeteries	153

**FINANCIAL DEPARTMENT**

Income-Salaries-Creditors	158
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Budget And Support Services	167

**MUNICIPAL MANAGER'S OFFICE**

Local Economic Development (LED)	169
Tourism, Rural Development And Special Projects	176
Internal Auditing	179
Executive Support Services	181
(Integrated Development Plan And Performance Management)	

**CORPORATE SERVICES**

Ward Committees	184
Intergovernmental Relations	193
Client Services	193
Labour Relations	195
Property Management	197

**HOUSING**

The housing department within Langeberg Municipality plays a key role in providing an essential basic service i.e. housing delivery. Some of the other functions of this department include; rectification of defects, providing human settlement (informal housing), updating waiting lists, transferring ownership (rental and RDP/BNG Houses), processing subsidy applications, facilitating Housing Consumer Education, selling houses (rental stock) and processing applications for the Enhanced Extended Discount Benefit Scheme (EEDBS). In addition, the department coordinates budget allocations by the Department of Local Government and Housing (DPLG & H).

This section focuses on addressing the need for adequate shelter across the municipal area and providing better quality living environments and affordable housing. It also has to ensure that basic services are provided for in informal settlements; that properties are transferred into the names of beneficiaries, as well as selling houses and managing rental units.

Currently an estimated 9395 families are without proper housing and shelter. To address this backlog the municipality needs to deliver 1879 housing units per year over the next five years. However this figure will improve after the review of the waiting list.

**Challenges 2010/11**

- Shortage of staff and vehicles
- Structural defects to pre- and post 1994 state financed houses.
- Payment of transfer fees by beneficiaries
- Approval of subsidy applications by provincial housing department
- Uncontrolled illegal occupation of municipal land in informal settlements
- Using of RDP houses for spaza shops
- Availability of well- located land for housing development
- Renting out and selling of low cost houses to foreigners

**Performance Highlights**

- During 2010/2011 (294) subsidised low cost RDP houses were build against the target of (270). This performance is a significant improvement to 2009/10 financial year performance of 211 subsidised low cost RDP houses built against the target of 320.
- The department facilitating (370) subsidy applications compared to (384) in 2009/10.
- 20 EHP approvals

**Current Projects: 2010/11**

- Nkqubela 444
- Bonnievale 52
- Zolani 173
- Mandela Square (Montagu) 63

**Future Projects 2011 / 2012**

These are housing projects planned for 2011/12

- Ashton Infill (78)
- Bonnievale (16) PLS
- Zolani Driehoek (19) PLS
- McGregor (330) PLS (Mill Street)
- Bonnievale (550) PLS
- Ashton (161) PLS
- Montagu "Steenoonde" (160) PLS
- Robertson "Muisekraal Kop" (129) PLS
- Rectification of 36 badly structural defect houses



## ELECTRICITY SERVICES

To alleviate pressure on indigent people, the National Government has implemented the regulation regarding the provision of free basic electricity. In line with this policy, the Langeberg Municipality provides 50 free units of electricity to indigent households.

Keeping in line with the minimum standard of service delivery, that requires the basic infrastructure to be in place, to allow the community access to electricity and the provision of basic lighting, the municipality has implemented numerous projects and programmes to ensure sustainable provision of electricity to approximately 18000 in Langeberg Area.

The department provides electricity services, which includes bulk services, reticulation, and maintenance. It also provides maintenance of electrical installations to municipal buildings. In addition to this, the unit manages major electrification projects through the Integrated National Electrification Programme (INEP).

### Challenges 2010/11

- Shortage of skilled personnel to deliver a good quality of service to customers.
- Effective and functional store.
- Filling of vacant posts in the department.
- Sufficient funds to address upgrading of electrical networks
- Delay in housing project.

### Priorities 2010/11

- Upgrading of Robertson Main Substation
- Electrification of RDP houses.
- Maintaining a good quality of services

### Electricity Projects 2010/2011

The Municipality completed the following projects during 2010/11:

- Upgrading Robertson Main Substation Phase 2
- Upgrading Robertson Reticulation Industrial Area
- Replace Prepaid Meters
- Upgrading Low-tension Reticulation lines Montagu
- Upgrading 11Kv lines Rural Stormsvlei/Kapteinsdrift
- Installation 11Kv Ring Main Feeder Ashton
- Installation miniature sub-station Voortrekker Street Ashton
- Service Main Transformers: Goudmyn
- Relocation of electrical connections for new housing project
- Electrification 2010/11 Dept of Energy
- Replace and Install 11 kV and 66 kV Switchgear
- Install 11 kV Primary feeder and substation Robertson North and Extension 9
- Upgrade 11 kV line Goree
- Upgrade 11 kV line to Angora
- Install 11 kV line from Goudmyn substation to Goudmyn 11 kV line
- High mass lights Open space between Rorwana - & Mafilika St
- High mass lights Mthuthise St,
- High mass lights c/o Nyamana & Rorwana St @ the back
- New Street lights Olien Avenue

- New Street lights Main Road and next to Voortrekker Street
- Upgrading of street lights Jasmyn St :
- Floodlights Mkhetsu St behind the sport field:
- Integrated National Electrification Programme
- Electricity for Houses - Montagu
- Voltage Regulator Wakkerstroom
- Upgrading 11kv - Giep de Kok Sub
- Relocation of electrical connections
- Electricity for Houses - Infill
- Electricity for Houses - Zolani
- Electrification Projects-Housing
- 11Kv Switch Gear at Roodezandt
- Electricity Connections
- Subsidy New connections Electricity
- Electricity Repairs - Network
- Electricity Repairs - Street Lights

### Future Plan: 2011/12

Relocation of electrical connections for new housing project

- Street Lights Muskadel Avenue Montagu
- Street lights Road to Informal Settlement
- New Street lights Kruinsingel :
- New Street lights Main Road and next to Voortrekker Street
- Replace Prepaid Meters
- Upgrade 11 kV line Goree
- Upgrade & Extend 11kv network to North-West & Waterworks Ashton
- Upgrade 11 kV line to Angora
- Upgrade 11 kV line from Nordale, Gieb de Kok and Informal area
- Upgrade 11 kV line to Waterworks Bonnievale
- Upgrade 11 kV line to Poortjieskloof
- Upgrade 11 kV line Hospital Avenue
- Upgrade Ashton 11 kV line
- Install new 11kV supply to Elandia
- Upgrading of electricity supply at Gumgrove Dam Pumpstation
- Upgrading Low-Voltage Networks - Ashton
- Upgrading Low-Voltage Networks - Bonnievale
- Upgrading Low-Voltage Networks - McGregor
- Upgrading Low-Voltage Networks - Montagu
- Upgrading Low-Voltage Networks Hoop & White Streets- Robertson
- Upgrade Muskadel substation
- Telemetry System for Electrical Substations
- Install 11 kV Primary feeder and substation Robertson North and Extension 9
- Service Main Transformers: Robertson
- Replace 11 kV Auto- Reclosers Bonnievale
- Install 11 kV Switchgear Moni's substation Montagu
- Replace 66 kV Switchgear (Main, Goudmyn, Le Chasseur)
- Replace Safety and Testing Equipment
- New Connections
- Replacements / Repairs: Network
- Replacements / Repairs: Street Lights

**Table 5.1: Electricity Scorecard: Performance 2010/11**

KEY PERFORMANCE AREAS/KPI	BASELINE 2010/2011	TARGET 2010/11		ACTUAL 2010/11	REASON FOR VARIANCE (Negative)	CORRECTIVE ACTION
Capital Budget Spent	88.78% R11 988 150	95%		88.78%		
Operating Budget spent	100% R132 900 000	95%		94.68%		
The percentage of households with access to basic level of electricity	99%	100%		99%	Delay in housing project	

**ELECTRIFICATION OF RDP AND FARM WORKER HOUSES**

Relocation housing project Nkqubela	100%	114 units		114 Units		
Electricity for Houses-Montagu Mandela Square	68% (Network completed)	63 units		43 units	Delay in housing project	
Electricity for Houses-Zolani	27.7% (Network completed)	173 units		38 units	Delay in housing project	
Electricity for Houses-Bonnievale	50% (Network completed)	52 units		26 units	Delay in housing project	

**CAPITAL PROJECTS**

Replacement of prepaid meters.	97%	95 %		97 %		
11 KV Feeders Rural	100%	95%		100%		
Upgrading of Robertson Reticulation Industrial Area phase 2	100%	95%		100%		
Upgrading of low-tension reticulation lines in Montagu.	100%	95%		100%		
Upgrading the 11Kv: Giep de Kok substation.	100%	95%		100%		
Upgrading the 11Kv lines Rural Stormsvlei/Kapteinsdrift.	100%	95%		100%		
Installation 11Kv Ring Main Feeder Ashton	100%	95%		100%		
Voltage Regulator Wakkerstroom East	100%	95%		100%		
High Mast Lights	100%	95%		100%		
11 KV Switch Gear at Roodezandt Cellar	100%	95%		100%		
Electrical losses (technical and non-technical)	7.31%	7.0 %		6.24%		
Energy saving	kWH: 1.1 % kVA: 0.7 %	kWH: 10 % kVA: 10 %		kWH: 1.1 % kVA: 0.7 %	Solar project in Langeberg Municipal area delayed	

## TOWN PLANNING

The Town Planning Department plays a crucial role in ensuring that the development of Langeberg Municipality enriches the lives of all citizens, while strengthening the local economy and promoting integration amongst the communities.

The department comprises five specialist teams: Land Management, Spatial Planning, Building Control, Administration of Valuations and Geographic Information Systems. Together, they are responsible for providing guidance on all issues associated with planning, environmental management and sustainability.

The primary responsibility of this department includes inter alia; processing building plans, land use applications, and ensuring compliance with environmental statutes. The department also assists in public projects such as housing developments.

### Challenges 2010/11

To sustain the progress it made during 2010/11, the Town Planning Department must address a number of important challenges:

1. Langeberg SDF: The process of finalising the revision of the 2003 SDF has been more time consuming than anticipated. The slow progress of this revision detracts from the proactive promotion of the reviewed IDP goals, and effective guidance and management of development pressures and urban growth. The lack of such guidance can lead to inappropriate or ad-hoc decisions relating to directions for growth and change in land use.
2. The Integrated Zoning Scheme: Until the IZS is adopted, the challenge is to continually try to ensure fairness and consistency relating to land use decisions across the various towns and rural areas, which are covered by differing land use controls.
3. Monitoring and compliance: With the large number of land use applications received and approved, particularly for tourist development in the rural areas, there is a considerable challenge to monitor compliance with conditions of approval and to follow up on unauthorised development.
4. Economic Crisis: Dealing with land use trends which are largely a result of the economic crisis and growing unemployment e.g. house shops (mobiles) and other home enterprises, mainly in the lower income neighbourhoods. The challenge is to balance the needs of the conflicting interest groups.
5. EIA regulations: The regulations relating to the need for Basic Assessment Reports and EIAs were amended in July 2009 and October 2009. This had an impact on new and existing land use applications, including Council Housing projects.

### Projects 2010/2011

**GIS:** The municipality is in a process to improve the GIS system.

**Completion of Spatial Planning Categories Map:** The Spatial Planning Categories Map covers the entire municipal domain and is a tool through which the SDF clarifies the inherent land use suitability of different landscapes. These Spatial Planning Categories provide a basis for new rights, and so over time, zoning schemes and Spatial Planning Categories will become aligned, especially in areas of development pressure or areas having significant or threatened biodiversity value.

**Upgrading of ALLYCAD 3.3 software (build 2) 2002:** The latest software for the CAD operator was acquired (ALLYCAD 2011) to improve functionality and service delivery.

### Future Plans: 2011/12

#### Spatial Development Framework

The final draft (Volume 2) document was submitted to DE&AP for consideration. This document contains spatial development proposals and also proposed land use management guidelines for the Spatial Planning Categories. However, this Department expressed their concern with the Urban Edge as submitted. The request is that it must conform to restructuring and integration principles. It is anticipated that this process will be completed during this financial year.

#### GIS

The needs of all departments will be requested where after the needs will be prioritized and implemented.

There is also an urgency to get the Street Addresses, correct Zoning categories, flood line layers and document linking onto the GIS. The ward Boundaries which was acquired from the Demarcation Board and all the available services layers were imparted into GIS.

Layers were also created that shows registered and unregistered properties in the financial data. A Survey Layer was also created which represents each property as a line and is labelled with the line the line, the length and each intersection with a point.

#### Zoning Scheme Regulations Approval

The Integrated Zoning Scheme Regulations for the Langeberg Municipality was submitted to the Department of Environmental Affairs and Development Planning in 2009 for their consideration and approval in terms of Section 9 of the Land Use Planning Ordinance 15 of 1985.

In terms of a circular received from the above Department, Integrated Schemes can only be formally approved once the Ordinance has been amended to include the Black Townships Schemes. It is anticipated that this process will be completed during this financial year.

## CURRENT PATTERN FOR PROPERTY DEVELOPMENT

The building Industry is currently under severe pressure due to the direct influence of high cost of materials and a more competitive labour cost market. The amount of building plans approved is lower than the last financial year. Although more new buildings were approved than in the past financial year, less were completed and issued with an occupancy certificate.

People tend to rather buy than building a new house, as this seems to be the better alternative.

A major setback in the Industry is the compulsive registration with the NHBRC as this is a high percentage of the actual cost of the building.

Approval of building plans and the issuing of Occupancy Certificates can be a direct indication of what is the current pattern in the Industry and local developments.

### Future Plans

A revised Boundary Wall Policy will be submitted to Council for consideration. Council adopted a policy in 2002 regarding boundary walls and fencing which need revision.



The building control department will be centralised and approval of plans being speed up by a tracking system, weekly plans meeting being scrutinised on a daily basis and approval being done in a minimum time possible.

The longer plans take to be approved, the bigger the chance that the owner will start building as material cost rises rapidly on a daily basis. This will minimise illegal activities and speed up development in the Langeberg Municipal Area.

**Table 5.2: Town Planning: Performance 2010/11**

KEY PERFORMANCE AREAS	BASELINE 2009/2010	TARGET 2010/11		ACTUAL 2010/11	REASON FOR VARIANCE (Negative)	CORRECTIVE ACTION
Capital Budget Spent	0	100		100	NA	NA
Operating Budget spent	83.8%	100		100.1%		
Zoning Scheme Regulation	0	100		0	Integrated Schemes can only be formally approved once the Land Use Ordinance , 15 /1985 has been amended to include the Black Townships Scheme	Waiting for amendments
Percentage Land Use Applications were processing within 14 days of advertising	100	100		100	NA	NA
Land Use Applications: referred to Council within eight weeks	100	100		100		
Complete the Spatial Development framework	70	100		0	The final draft that was submitted to DEADP, was referred back to Council to amend the Urban Edge delineation	Urban Edge to be amended
Building plans processed for developments under 500 sq m and gave feedback to customers within 30 days	100	100		100	NA	NA
Building plans processed for developments over 500 sq m and gave feedback to customers within 60 days	100	100		100	NA	NA





BUILDING PLAN APPROVAL

Table 5.3: The department remained efficient in approval of building

Category	2008/2009	2009/2010	2010/2011
Building plans approved	542	504	473
Encroachments approved	64	85	75
Encroachments not approved	0	2	6
Building plans not approved	64	74	83

Table 5.4: Revenue generated through building plan applications

Applications outstanding 1st July 2010	Category	Number of new Applications Received 2009/2010	Estimated Rand Value of Applications Received		Applications Outstanding 30th June 2011	Category	Number of new Applications Received 2010/2011	Total value of Applications Received Rand
-	Residential New	68	13286, 68m <sup>2</sup> R 59 790 060		-	Residential New	77	R 53900000.00
-	Residential Additions	242	14904, 94m <sup>2</sup> R 67072 230		-	Residential Additions	225	R 507430000.00
-	Other Residential	166	1336,56m <sup>2</sup> R 6014 520		-	Other Residential	101	R 56812500.00
-	Commercial	15	2307, 78 m <sup>2</sup> R 10 385 010		-	Commercial	11	R 9900000.00
-	Industrial	24	13142,1 m <sup>2</sup> R59 139 450		-	Industrial	10	R 180 000 000.00
-	Minor	45	-		-	Minor	48	-
-	TOTAL	560	44960, 06m <sup>2</sup> R202 320 270		-	TOTAL	472	R 808,042500.00



## CIVIL ENGINEERING (ROADS, WATER, STORMWATER, SEWERAGE)

The Civil Engineering Department manages 227.86 kilometres of local roads, and 53.3 kilometres of underground storm water systems.

The Langeberg Municipality must align its resources and focus on the national government's infrastructure development imperative. With this in mind, the Civil Engineering Department has been tasked with the responsibility of managing roads, water, sewerage, storm water, buildings, irrigation water portfolios, as well as the Municipal Infrastructure Grant (MIG) and the Extended Public Works Programme (EPWP).

### Challenges: 2010/11

- Shortage of vehicle and equipment
- Shortage of qualified personnel
- Supply Chain processes
- Budget constraints
- Rapid deterioration of roads due to inadequate maintenance processes due to the fact that capital funds are primarily spend on construction of new roads
- Compilation of blue and green drop requirements which are a mammoth task that needs to be undertaken by a competent person on a full time basis

### Priority: 2010/11

- Blue and green drop compliance
- Maintenance of roads
- Delivery of quality services

## WATER PROJECTS

- Replacement of Water Pump line to reservoir in Ashton
- Reticulation replacements in Ashton, Robertson and McGregor
- Upgrading of water treatment work Bonnievale
- Upgrading of water treatment work Montagu
- Replacement of Compressor/Blower Water Treatment Robertson

## STORMWATER: PROJECTS

- No stormwater projects were implemented in 2010/11

## ROADS: PROJECTS

- Disa Ave
- Entlango, Bashayestraat
- Granaatbos Street
- Viooltjiesingel
- Meulstraat
- Olyfboomlaan
- Barlinkaweg & Cinsautstraat
- Road to Mooivallei Chees Factory & Uitsig
- Eikestraat
- Falene , Kalese & Ndabenistrate
- Flood Damage
- Tarring of Streets - CWDM

## MUNICIPAL INFRASTRUCTURE GRANT UNIT (MIG)

The Municipal Infrastructure Grant is a conditional grant from the Department of Local Government and Housing (DPLG&H) to the local government. It is designed to supplement municipal capital budgets for the provision of basic infrastructure to the poor.

In the past ten years, the municipality has experienced a steady increase in population growth resulting in an escalated demand for basic services, such as water delivery and sewerage purification. The Langeberg Municipality has a business unit called Programme Management Unit (PMU) and its responsibility is to identify infrastructure projects that qualify for inclusion to the location. Moreover, the PMU registers the projects, coordinates the programme, and integrates them into municipality priorities, while monitoring and reporting on their progress.

During 2010/2011, the MIG budget of R 12 595 000.00 allocated to Langeberg Municipality was spend in total. During 2009/10, the MIG budget of R10 929 000.00 was allocated and R10 929 089.30 was spent on various MIG and infrastructure projects.

All the projects undertaken by the municipality were high priority projects, labour intensive and facilitated local economic development through job creation.

**Table 5.5**

Budget activity	2007/08	2008/09	2009/10	2010/11
Approved budget amount	R 4 401 851.39	R 7 659 010.70	R 10 929 000.00	R 12 595 000.00
Spent budget amount	R 4 401 851.39	R 7 659 010.70	R 10 929 089.30	R 12 595 000.00
Variance	R 0.00	R 0.00	-R 89.30	R 0.00

**Table 5.6: The projects listed below were funded through the MIG grant**

MIG Funded Project	Budget Spend
Upgrading of water treatment works Bonnievale	R 4 376 723.66
Upgrading of water treatment works Montagu	R 2 593 710.89
Water rehabilitation networks phase 1	R 1 766 663.16
Water rehabilitation networks phase 2	R 3 857 902.29
Total	R12 595 000.00



### EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

The EPWP is one of Langeberg Municipality's initiatives to bridge the gap between the growing Winelands economy and the large number of unskilled and unemployed people who have yet to fully enjoy the benefits of economic development in the area.

In the municipality, the programme set a target of providing employment opportunities and training through the labour-intensive Municipal Infrastructure Grant and Municipality funded infrastructure projects.

#### Performance 2010/11

- There was an increase in the number of jobs created through the EPWP during the 2010/11 financial year, where 627 jobs were created compared to 313 jobs in 2009/10 financial year and 376 jobs in 2008/09 financial year.

#### Future Plans: 2011/12

- Bulk Water Provision McGregor: Storage capacity
- Rehabilitation of water Network phase 2 (cont)
- Tarring of streets
  - Meulstraat
  - Rose
  - Hibiscus
  - Alpina
  - Mimosa
  - Bloubos
  - Mtebe
  - Faleni
  - Ndabeni
  - Kalase
- Equipment – Purchasing of Bomag Compactors
- Upgrading of syphon at McGregor Sewerage
- Upgrading Waste Water Works Robertson Phase 3



**Table 5.7: Scorecard: Roads, Water, Stormwater, Sewerage**

KEY PERFORMANCE INDICATOR	BASELINE 2009/2010	TARGET 2010/11	ACTUAL 2010/11	REASON FOR VARIANCE (Negative)	CORRECTIVE ACTION
Reduction in level of water losses	9%	9%	13.95%	Old asbestos infrastructure	Replacement of water lines
Reduction in sewerage blockages	Increase of 2.69% in stoppages (From 1823 - 1872)	1600	2085	Uninformed users	Communication campaign
% Percentage spent of the maintenance budget	95.80%	100%	111%		
Number of municipal vehicles maintained according to maintenance schedule/plan	External Maintenance: 364 External Services: 50 Internal Maintenance: 671 Internal Services: 76	N/A	External Maintenance: 734 External Service: 28 Internal maintenance: 1238 Internal services: 152		
Number of metres of roads tarred	4617.37 meters	4621 meters	4624meters		
Length of water networks upgraded(Meters)	7842.50	11000	8500	Budget restraints	
Percentage of households with access to basic services:					
Water	100%	100%	100%		
Solid Waste Removal	100%	Solid waste department	100%		
Sanitation	100%	100%	100%		
the percentage of households earning less than R1100 per month with access to free basic services	100%	Finance department	100%		
Percentage and Number of potholes repaired for	100% (5302)	6000	6432		
Replacement & Upgrading of Water Network within time-frame	100%	100%	100%		
Upgrading of Water Treatment Works (Montagu) with-in time frame	75%	100%	100%		

## COMMUNITY SERVICES

The department is responsible for the maintenance, the management and control of libraries, swimming pools, sports facilities, community halls and Thusong centre.

### LIBRARIES

Langeberg Municipality has eight libraries under its jurisdiction situated in Bonnievale (2), Montagu (2), Ashton (1), McGregor (1) and Robertson (2).

### Challenges

- Security are at risk – Burglaries at weekends
- Vandalism
- Crime related incidents in the neighbourhood threatens the facilities
- Damages
- Budget Constraints

### Projects: 2010/2011

- Repair roof: Robertson Library
- Install air-conditioner: Montagu Library
- Painting: Sunnyside Library
- Cabinet and Bookshelves: Sunnyside
- Burglar Bar Gate at the Happy Valley Library.
- Laminate Machines for Robertson and Bonnievale Library
- Notice Boards at Zolani
- Jolly Kids for all the Libraries
- 1 x Vacuum Cleaner for Robertson



### Future Plans: 2011/12

- Burglar Bar Gates at the Ashton Library
- Junior and Kiddies Bookshelves at Montagu Library
- Air conditioner at Montagu Library
- Replace counter surface at Montagu Library
- Exhibition shelve for Newspapers and Magazines at the Montagu Library
- Tiling of the Side Hall at the Sunnyside Library
- WAP Cleaner machine for Sunnyside Library
- Bookshelves for Sunnyside Library – Store and Inside the Library
- Soft Notice Board for Sunnyside Library
- Burglar Bar Gate at the Sunnyside Library.
- 3 x Computer Workstations and Secretary Chairs for Sunnyside Library
- Provide Chairs Bonnievale Library
- Replace door at the Happy Valley Library
- Bookshelves for Happy Valley Library
- 3 x Computer Workstations and Secretary Chairs for McGregor Library
- Installation of Additional Alarm sensors for Ashton Library
- Counter chairs for Zolani, Mountain View Library
- Filing cabinet for Zolani, Ashton and Robertson Library
- HiFi and CD Player for Zolani
- Micro Oven for Mountain View and McGregor Library
- Curtains for Robertson and McGregor Library
- 2 x Jolley Kids for Ashton Library
- 8 x Jolley Kids for Ashton Library
- Repair roof: Robertson Library
- Install air-conditioner: Montagu Library
- Painting :Sunnyside Library
- Tiling of the Corridor and Toilets of Sunnyside Library
- Cabinet and Bookshelves: Sunnyside
- Burglar Bar Gate at the Happy Valley Library.
- Laminate Machines for Robertson and Bonnievale Library
- Notice Boards at Zolani
- Jolly Kids for Ashton
- 1 x Vacuum Cleaner for Robertson
- Upgrade the Landscaping in front of the Robertson Library
- 3 x Computer Workstations and Secretary Chairs for Robertson Library
- 3 x Computer Workstations and Secretary Chairs for Ashton Library
- Install air-conditioner: Robertson Library

**Table 5.8: Library Scorecard: Performance 2010/2011**

KEY PERFORMANCE AREAS	BASELINE 2009/2010	TARGET 2010/11	ACTUAL 2010/11	REASON FOR VARIANCE (Negative)	CORRECTIVE ACTION
Capital Budget Spent	R 95 630.90	R100,000.00	R 99,063.47	Do not spent the last amount on time	Will spent timeously on projects
Operating Budget spent	249 724.80	R4,505,453	R4,614,750		
Library Membership	16 371	16 549	159 179		
Adults	10 794	11 063	106 925		
Children	5 577	5 386	52 047		
Average Annual Circulation	322 344	27 096	249 974		
Adults	N/A	19 706	179 849		
Children	N/A	7 210	70 928		
Number of lost books	N/A	R0.00	12,000	No proper control	Put control measures in place to minimize expenditure
Implement old-age project: number of participants	270	250	240	Do not inform/market the programs	Market the programmes in the local newspapers and on posters
Implement kid- story project: number of participants	226	230	200	Do not inform/market the programs	Market the programmes in the local newspapers and on posters
Acquisition of library equipment: Computers:	R 94 000	R100,000.00	R 99,063.47		
Number of attendance hours at formal training lessons per staff member	N/A	120	240		

**SPORTS FACILITIES**

Community services department is responsible to ensure that all Langeberg sports facilities are fully utilised and well maintained to acceptable standards.

Langeberg Municipality has Ten (10) Multi Purpose Sports Facilities. Robertson (3), McGregor (1), Ashton (2), Zolani (2), Bonnievale (1), Montagu(1)

During the year under review, 429 events have been taken place in 2010/11. This amounts to an increase from 125 during the previous financial year. We received an average complaint from the public regarding the condition of the facilities.

**Challenges:**

- Security is at risk
- Vandalism
- Crime related incidents because of facilities that are next to a neighbourhood
- Damages and crowd control
- Budget Constraints

**Projects 20010/2011**

- Upgrading of the Van Zyl Street Pavillion
- Upgrading of the playing surface of all the Sportsfields
- Paint and repair the roofs and walls of the Cloackrooms and Clubhouse at the Van Zyl Street Sportsgrounds
- Repair the Sight Screens at Callie De Wet Sportsground
- Repair the Practise Nets at Callie de Wet Sportsground
- Repair the fencing, windows, toilets and cloakrooms at the Van Zyl Street Sportsgrounds
- Installation of the Sewage system at van Zyl Street.
- Repair the toilets, ceiling, doors, tabs and electricity at the King Edward Sportsground in Montagu
- Repair the Geyser, waterpipes and tabs at the Cloackrooms at McGregor Sportsground
- Construction of the Cogmanskloof Pavillion in Ashton
- Purchasing of 2 x Linemarker machines

**Future Plans 2011/12**

- Repair the Seats at the Callie De Wet Stadium
- Construction of a Soccerfield at the Nkqubela Sportsground – Leveling, Fertiliser, Installation of Irrigation System and Grass
- Repair the Toilets at Cogmanskloof Sportsground
- Construction of a Pavilion at the Zolani Sportsground
- Repair the Cricket Pitch at the Callie De Wet Sportstadium
- Repair the Cricket Pitch at the Van Zyl Street Sportstadium
- Rehabilitate the Playing surfaces of the Sportfields with sand and fertilizers
- Purchasing of 3 x Linemarker machines



**Table 5.9: Sports Facilities Scorecard: 2010/11**

KEY PERFORMANCE AREAS	BASELINE 2009/2010	TARGET 2010/11	ACTUAL 2010/11	REASON FOR VARIANCE (Negative)	CORRECTIVE ACTION
Capital Budget Spent	249 000	R1 600 000	R1 501 853.50	Retention money	Outstanding touch-up works
Number of Users	125	300	429		
Number of Sports Events	37	40	40		
Complaints	5	3	5		
Number security incidents	10	3	7	Crime related incidents-Vandalism	Meetings with clubs and SAPS cases

### COMMUNITY HALLS

Langeberg Municipality has twelve community halls. The Barnard, Ashton Town Hall, Zolani, Happy Valley, Chris Van Zyl, Wilhelm Theys Avenue, Hofmeyer, Nkqubela, the Callie De Wet Hall and Robertson Civic Hall. The McGregor Community and the Robertson Town Hall falls under Corporate Service directorate. However it is the department's responsibility to ensure that all Langeberg Community Halls are fully utilised and well maintained to acceptable standards.

During the year under review, 3780 functions compared to 1441 functions and meetings held in the municipal halls in 2009/10. Three (3) complaints were received from the public regarding the condition of the halls.

### Challenges

- Security is at risk
- Vandalism
- Crime related incidents because of facilities that are within a neighbourhood
- Damages
- Budget Constraints

### Projects 2010/2011

- Upgrading of the Robertson Civic Hall - Repair the roof of the side hall, the cracks in the Walls and Paint the outside walls
- Upgrade the Zolani Community Hall – the toilets, painting of the walls.
- Upgrade the Nkqubela Community Hall- Building of Kitchen facilities, storage room, painting of the Roof and Walss, beautify the Entrance and Security Fencing
- Purchasing of Curtains for the Robertson Civic Hall
- Upgrading of the Chris Van Zyl Hall – Repair the floor
- Stove, Urn and Baymarine and Food warmers and Trolley for Happy Valley hall
- Purchasing of a Fridge, Stove and Urn for Robertson Civic
- Micro Oven for Montagu hall
- Purchasing of a Fridge, Stove, Urn, Polish machine, Microwave oven and Deep freeze for Nkqubela Hall
- Purchasing of a Urn for Ashton Town hall
- Purchasing of Chair Trolleys for Callie de Wet, Nkqubela and Happy Valley halls

### Future Plans 2011/12

- Upgrading of the Nkqubela Hall; Stage, Floor tiles and Curtains
- Repair the Zolani Hall – roof, walls, geyser gutters and gally
- Repair the Ashton Town Hall-toilets, floor scrub and varnish and walls
- Repair the Barnard Hall-toilets, windows
- Repair the Callie de Wet Hall-toilets, walls, electricity
- Reparation works at the Montagu Community Hall-roof, ceiling, paint the walls

**Table 5.10: Community Hall Scorecards: 2010/11**

KEY PERFORMANCE AREAS	BASELINE 2009/2010	TARGET 2010/11	ACTUAL 2010/11	REASON FOR VARIANCE (Negative)	CORRECTIVE ACTION
Capital Budget Spent	0	R450,000	R413,108.45	Retention money	Small touch-up works
Operating Budget spent	R 488 083.46	R2,125,804	R2,156,963		
Number of Meetings	281	290	287		
Number of Functions	1237	1 300	3 780		
Complaints	None	0	3	Flushing of toilets	Repair the toilets
Revenue created	R 223 488.41	R315,000	R305,851	Upgrading works took place at the Robertson Civic, Nkqubela and Zolani Halls	Delay Reparation Works between the halls and inform the public

### SWIMMING POOLS

Our swimming pools are a recreational hub for youth and elderly, in hot summer months in our municipality. The swimming pools play a significant role in keeping our youth occupied and reduce levels of youth involvement in crime. The Langeberg municipality has two functioning swimming pools in Robertson.

### Challenges: 2010/2011

Critical challenges facing the departments are:

- Security is at risk
- Vandalism
- Crime related incidents because of facilities that are within a neighbourhood
- Damages
- Budget Constraints

### Projects 2010/11

- Reparation works at the toilets, roof, gutters, doors and burglar fencing
- Repair the vibrecrete Dirkie Uys Swimming Pool and Robertson North
- Paint the seats, burglar fencing at the Dirkie Uys Swimming Pool
- Provide a Gate to the entrance of the front Braai
- Steel Fencing at the Robertson North Swimming Pool
- Repair the Pools and pumps at both Swimming Pools
- Repair the Pavilion, paint the cloakrooms and toilets at the Dirkie Uys Swimming Pool
- Purchasing of 1 x gas Chlorine Pump for Dirkie Uys Swimming Pool

### Future Plans: 2011/12

- Upgrade the Braai areas and seats at Robertson North
- Reparation works at the toilets, ceiling and doors at the Robertson North Swimming Pool
- Purchasing of Dolphin Electronic Pool Cleaners for both Pools
- PA System for both Pools
- Replace ropes for the Swimming gala,s
- Service the pumps and filter systems at the Pools
- Security Fencing for the Chlorine Gas Cans

**Table 5.12: Performance Scorecard 2010/11: Swimming Pool**

KEY PERFORMANCE INDICATOR	BASELINE 2009/2010	TARGET 2010/11	ACTUAL 2010/11	REASON FOR VARIANCE (Negative)	CORRECTIVE ACTION
Operating Budget spent	350 080.25	R1,279,118	R1,198,030		
Number of visitors	19 078	20 000	13 952	Standard of water in a bad condition due to Chlorine and changing weather conditions	To maintain a good standard of pure water.
Number Drowning in municipal pools	1	0	1	N/A	Appoint Life savers
Number of Lifeguards	?	HR	HR	No appointments	HR must appoint staff
Cleaning of the swimming	Daily	Daily	Daily		
Revenue Created through swimming pools	181 973.99	147,000	154,929		
Daily Tickets	85 237.00	69 500	118 144		
Seasonal Tickets	96 736.99	77 500	36 785		



### TRAFFIC AND LICENSING SERVICES

The Langeberg Municipality's traffic and licensing department is dedicated to delivering superior law enforcement services, through a partnership-approach with the communities it serves. It aims to create a safe and secure environment for all residents, citizens and visitors within the municipality through the provision of effective traffic policing and law enforcement.

Some of the tasks performed by the department include the processing of applications, registration (e-NaTis) and issuing of learner-driver and driver's licenses.

In addition, this department ensures that the following functions are carried out:

- Registration/renewal of motor vehicles,
- Issuing of fines (bay laws),
- Managing point duties during emergencies,
- Road marking,
- Erecting road signs,
- Testing of motor vehicles for road worthiness,
- Testing of learner-driver and driver's licenses
- Serving of summons
- Education-Traffic safety
- Security Services- Municipal assets
- Law Enforcement
- Speed camera offences
- Executing warrants of arrest
- Patrolling at schools.

### Challenges in 2010/11

The challenges facing the Langeberg Municipality's Traffic and Licensing Department are as follows:

- Filling vacant posts, i.e. Assistant Manager: Traffic Services, Law enforcement Officer (1), Grade L testing officer-E-natis/ learner-driver and driver's licenses (1), General workers-road maintenance (2) and Traffic Officer (1);
- Training of personnel to attain multi-skilling: availability of courses, fiscal restraints;
- Obtaining equipment, e.g. alcohol meters, Road block equipment, radios, Wendy houses, office equipment.
- Replacement and supplementation of vehicles for additional staff (both maintenance and law enforcement, including security);
- High level of sick leave of some personal.

### Projects 2010/11

- Traffic Safety at schools (Pedestrian safety – reflective bands, scholar patrols and road safety training)
- Completion of the Traffic Circle at Ashton road worthiness testing station
- Routine Law enforcement
- Maintenance of road signage and markings
- Contract for speeding enforcement and serving of summonses as well as warrants of arrest
- Maintaining the waiting period of drivers and learners licences to below two (2) months



### Future Plans: 2011/12

- Maintaining training projects at schools;
- Upgrading vehicle testing station (Ashton) to legal requirements;
- Maintaining effective law enforcement by routine patrols, road blocks, speed law enforcement and effective processing of administration for courts to aid road safety of users;
- Maintaining road signs and markings to ensure visibility in all towns;
- Serving of summonses and executing of W.O.A. (warrants of arrest) to ensure that legal actions are effective;
- Waiting period of drivers and learners licences, 2 months;
- Training of personal to be multi- skilled to improve service delivery,

**Table 5.13: Traffic and Licensing: Performance Scorecard 2010/11**

KEY PERFORMANCE AREAS	BASELINE	TARGET 2010/11	ACTUAL 2010/11	REASON FOR VARIANCE (Negative)	CORRECTIVE ACTION
Capital Budget Spent Completion of the Turning Circle & Equipment Ashton Traffic Office Section Roadworthiness.		R1, 250,000	R995, 938.70		79, 68 % of Budget Spend
Operating Budget spent		R8,488,384	R7,881,991		92.9% of budget
Road safety programmes:	5	Number of Schools Participating	12	N/A	N/A
Turn-around time for the processing of drivers' licences and learner driver licences	2 months	2 months	2 months	2 months	2 months
Number of drivers' licences, learner driver licences and PDP permits applications/ issued	3 017	N/A	11 427	N/A	N/A

### Revenue Created

The following revenue was generated from traffic and licensing services:

**Table 5.14**

Category	2009/2010		2010/2011	
	Number issued	Revenue	Number issued	Revenue
Learner drivers' licenses applications	4 642	R 236 010.00	2635	R 179 180.00
Learner drivers' licenses Issued			1410	R 46 530.00
Professional drivers' licenses	1 179	R 90 670.00	1056	R 84 480.00
Temporary drivers' licenses	1 018	R 40 515.00	826	R 37 170.00
Applications for drivers' licenses	3 829	R 308 045.00	1936	R 283 245.00
Drivers' licenses issued- (renewals)	3 941	R 390690.00	3564	R 451590.00
Motor vehicle road worthiness testing applications	4 170	R 273 724.00	1581	R 232 465.00
Certificates Issued			1387	R 45 771.00
Speeding enforcement summonses issued –Section 341	28 992	R 553 350.02	26 597	R 104,1028.01





## DISASTER MANAGEMENT AND FIRE SERVICES

All the services of the department are aligned to Section 84(1)(j) of the Local Government: Municipal Structures Act, Act 117 of 1998, Disaster Management Act No 57. (Act 57 of 2002) and the National Disaster Risk Management Framework.

The department seeks to create a safer environment through the provision of world-class, seamless, and cost-effective emergency services, to all communities of Langeberg Municipality.

This objective is realised through the provision of fire fighting and disaster management services and an effective 24-hour emergency call centre for the Fire Services. Citizens are provided with easy access to emergency services and are assured of a speedy response to emergencies and disaster situations.

The Fire department operates in terms of the Fire Brigade Services Act and its functions are as follows:

- To prevent the outbreak and spread of fire.
- To fight and extinguish fire.
- To protect life and property against fire or other threatening danger.
- To rescue life and property from a fire or other dangers.

Disaster Management is a multi-sectoral function, which cuts across all municipal disciplines. In essence disaster management has to do with mitigation, as well as preparedness, relieve, recovery, rehabilitation and reconstruction processes before, during and following large scale events and disasters. It follows that disaster management mitigation plans will be incorporated within the budgets and capital projects of other disciplines, e.g. Civil Engineering, Electro technical Engineering, as well as Environmental Services.

### Challenges 2010/11

- Implementing a Fire Protection plan for phasing in of fire services in terms of the codes in the face of financial constraints;
- Extending the 24 hour service to other towns;
- Decreasing response times and increasing weight of response to all towns and surrounds;
- Expanding personnel strength and providing facilities in other towns in the face of financial constraints
- Finding more effective ways to extend the Mutual Aid Agreement with the CWDM to make effective use of sharing potential

### Priorities 2010/11

- Maintaining the shortest response times possible to emergencies
- Maintaining proper maintenance schedules ensuring that emergency vehicles and equipment are ready for use on an immediate basis
- Ensuring that all staff are trained to international accredited training standards
- Implementing a proper risk visit and assessment program
- Providing immediate emergency relief after major disastrous events
- Ensuring timeous completion of the Disaster Management Plan and Fire Protection Plan
- Implementing and maintaining a proper incident reporting and record keeping system of emergency calls in accordance with legal prescriptives

### Projects: 2010/11

- Implementing a risk visit and assessment programme
- Implementing a school awareness programme
- Devising and compiling a Disaster Management Plan
- Devising and compiling a Fire Protection Plan
- Maintaining and updating emergency incident reports
- Implementing a proper vehicle and equipment checking, maintenance and services program
- Updating and maintaining Standard Operational Procedures (SOPs) for emergency incidents

### Future Plans: 2011/12

- Maintaining risk visit and assessment programme
- Implementing a school awareness programme
- Devising and compiling a Disaster Management Plan
- Devising and compiling a Fire Protection Plan
- Maintaining and updating emergency incident reports
- Implementing a proper vehicle and equipment checking, maintenance and services program
- Updating and maintaining Standard Operational Procedures (SOPs) for emergency

**Table 5.15: Disaster Management Training Of Personnel: 30 June 2011**

NAME	COURSE	DATES	Service Provider
L. Nkasana	HAZMAT Technician	01-11-2010 to 19-11-2010	PetroSA
FJ Hoofd	HAZMAT Technician	01-11-2010 to 19-11-2010	PetroSA
UO Terblanche	HAZMAT Technician	01-11-2010 to 19-11-2010	PetroSA
C Sibulwana	Fire Fighter I	03-05-2010 to 14-08-2010	Cape Winelands District Municipality
LS Pekeur	Fire Fighter I	03-05-2010 to 14-08-2010	Cape Winelands District Municipality
B Basson	Fire Fighter I	28-02-2011 to 10-07-2011	Cape Winelands District Municipality
JE Pekeur	1st Aid Level III	25-10-2010 to 03-11-2010	Cape Winelands District Municipality
ADJ Wehr	1st Aid Level III	25-10-2010 to 03-11-2010	Cape Winelands District Municipality
M Tshoto	1st Aid Level III	25-10-2010 to 03-11-2010	Cape Winelands District Municipality
J Adams	1st Aid Level III	25-10-2010 to 03-11-2010	Cape Winelands District Municipality
BT Basson	1st Aid Level III	25-10-2010 to 03-11-2010	Cape Winelands District Municipality
LS Pekeur	1st Aid Level III	25-10-2010 to 03-11-2010	Cape Winelands District Municipality
MC Sibulwana	1st Aid Level III	25-10-2010 to 03-11-2010	Cape Winelands District Municipality
PEJ Jambo	Fire Fighter II	23-08-2010 to 15-09-210	Cape Winelands District Municipality
Total			14

**Table 5.16: Disaster Management and Fire Services:  
Performance Scorecard: 2010/2011**

KEY PERFORMANCE AREAS/KPI	BASELINE 2009/2010	TARGET 2010/11	ACTUAL 2010/11	REASON FOR VARIANCE (Negative)	CORRECTIVE ACTION
Operating Budget spent	92.99%	91.3%	Not yet available		
Complete Disaster Management Plan	Included in IDP	Included in IDP	Included		
Complete Fire Protection plan	Completed	Completed	Submitted		
Complete Disaster Mitigation Programme	100%	100%	100%		
Average response time	14.34	14.34	14.69	Emergency Calls vary in distance: large distances travelled due to Mutual Aid Agreement with CWDM	None
Fires responded and extinguished	305	149	149		
Number of fire fighters trained	9	14	14		
Review and scrutinise building plans for fire safety purposes	528	528	502	Less plans received for scrutiny	None
Code enforcement	573	573	580		
Conduct a number of routine fire inspections	60	74	80		
Public education		15	17		
Assistance with Evacuation plans and drills	54	50	14	Evacuation plans and drills also included in risk visits	

## ENVIRONMENTAL SERVICES

The Department of Environmental Services endeavours to provide a sustainable, equitable, efficient, and cost-effective variety of services to all communities and businesses. These services include: cleansing, parks and recreation, and environmental control.

### CLEANSING

The cleansing unit is responsible for the co-ordination of infrastructure and cleansing services. This includes domestic refuse collection (from formal and informal households), recycling waste, collecting garden refuse, co-ordinating drop-off area services, transferring and composting organic domestic refuse. The establishment of an operational recycling centre and the implementation of the two-bag system (whereby waste is separated at source) are examples of endeavours in the ongoing strategy of minimisation of waste.

### PARKS AND RECREATION

The municipal parks and recreation unit develops and maintains zoned public open spaces such as hiking trails, recreational areas, sports grounds, play parks and fences. The unit is also responsible for planting and pruning trees and shrubs, as well as the mowing of grass.

### CEMETERIES

The cemetery unit develops and maintains cemetery facilities that promote dignity and respect to communities. New cemeteries aim to cater for special needs, while meeting landscape, infrastructural and environmental standards and objectives. Existing cemeteries will also be extended accordingly.

### Performance Highlights

Key Achievements in 10/11

- The installation of a weighbridge and applicable support services at the recycling plant ensuring that accurate statistics are kept of ingoing and outgoing waste quantities, which will be invaluable to strategic developments in future
- Ablution facilities at the recycling centre
- Completion of waste transfer stations Planning for Robertson and Montagu. projects that will be initiated during 11/12 and 12/13
- The acquisition of waste removal equipment, i.e. skips, glass banks for recycling and wheelie bins for recycling at all business areas
- Development of a new cemetery in Montagu
- Upgrading of cemeteries in Robertson
- The development of a play park in Zolani
- Upgrading of play parks in Bonnievale, Robertson and Nkqubela
- The upgrading of Dassieshoek cottages
- Repairing of flood damages in Joubert Park
- Construction of an access office and ablution facilities at Joubert Park

### Challenges in Environmental Services 2010/11

- Refuse removal due to aged fleet/equipment/ Shortage of drivers
- Illegal dumping on public open spaces
- Minimising domestic waste to the landfill site to 15%.
- Researching waste to energy transformation processes including the inclusion of external waste providers (municipal).
- Researching options for the establishment of a District based landfill site vs the development of an already approved landfill site in the Bonnievale area.
- Vandalism in our play parks and cemeteries.

### Projects for 2010/11

- Upgrading of existing parks in Robertson
- Planning of a formal transfer station
- Implementation of public awareness programs
- Implementation of waste minimisation strategy: implementation of a two bag system for separation at source
- Installation of the weighbridge at the Ashton Landfill site.
- Construction of ablution facilities at the recycling plant (weigh bridge).

- Acquisition of equipment for the recycling centre.
- Development of an additional play park in Zolani (c/o Spofana & Walaza St).
- Repairs of flood damages in Montagu.
- Development of a cemetery in Montagu.
- Fencing of existing Park in Nkqubela
- Upgrading of Cottages in Dassieshoek
- Upgrading of Cemeteries – Robertson
- Development of Cemeteries- East
- Reparation of flood damages at Joubert Park and Robertson old Cemetery
- Construction of an Access Office at Joubert Park

### Future Plans 2011/12

- Acquisition of Roll on Roll off truck
- Acquisition of waste removal equipment
- Development of transfer stations for Montagu and Robertson.
- Acquisition of wheelie bins as a first step of phasing in the system to all areas.
- Development of a new play park in Ashbury.
- The upgrading of public ablution facilities in Montagu and Ashton.
- Fencing and greening of cemeteries in Robertson, Ashton and Montagu.

**Table 5.17: Cleansing: Performance Scorecard: 2010/2011**

KEY PERFORMANCE AREAS	BASELINE 2009/10	TARGET 2010/11		ACTUAL 2010/11	REASON FOR VARIANCE (Negative)	CORRECTIVE ACTION
Garden waste removal	Daily	Daily		Daily		
Number of skips removed	36	36		36	None	None
Household waste removal	Once a week	Once a week		Once a week	None	None
Commercial waste removal	Twice a week	Twice a week		Twice a week	None	None
Collection of industrial waste and abattoir waste	Daily Total skips removed per day: 6m <sup>3</sup> (3) 9m <sup>3</sup> (1)	Daily Total skips removed per day: 6m <sup>3</sup> (3) 9m <sup>3</sup> (1)		Daily Total skips removed per day: 6m <sup>3</sup> (3) 9m <sup>3</sup> (2)	None	None
Building rubble	Daily					
Green waste to compost disposal	600m <sup>3</sup> per month	600m <sup>3</sup> per month		600m <sup>3</sup> per month	None	None
Industrial and abattoir waste	27m <sup>3</sup> per day to landfill site	27m <sup>3</sup> per day to landfill site		27m <sup>3</sup> per day to landfill site (on average)	None	None
	Total skips 16 x 6m <sup>3</sup> 10 x 9m <sup>3</sup>	Total skips 16 x 6m <sup>3</sup> 10 x 9m <sup>3</sup>		Total skips 16 x 6m <sup>3</sup> 10 x 9m <sup>3</sup>	None	None
Household and commercial waste disposal	Total to landfill 2684 m <sup>3</sup> per month	Total to landfill 2684 m <sup>3</sup> per month		1,800 tons (exceeds target)	None	None
Compost generating	350m <sup>3</sup> per month	350m <sup>3</sup> per month		350m <sup>3</sup> per month	None	None
Recycling of glass	24m <sup>3</sup> (income) ±R1 200.00	24m <sup>3</sup> (income)		±R1 200.00	None	None
Construction of recycling plant	Phase 1 + 2(85%) complete	85%		100%	None	None
Managing Transfer Station (informal)	Transfer waste weekly from transfer stations	1/week		daily	None	None



**Table 5.18: Municipal Parks: Performance Scorecard: 2010/2011**

KEY PERFORMANCE AREAS	BASELINE 2009/10	TARGETS 2010/11		ACTUAL 2010/11	REASON FOR VARIANCE (Negative)	CORRECTIVE ACTION
Beautification of open spaces	2 per town	2 per town		2 per town	None	None
Manage hiking trails	Maintain total km Montagu 30.2 Robertson 54.9	Maintain total km Montagu 30.2 Robertson 54.9		Maintain total km Montagu 30.2 Robertson 54.9	None	None
Increase number of visitors in the hiking trails per month	Montagu 280 Robertson 79	Montagu 320 Robertson 96		Montagu 320 Robertson 96	None	None
Generate income from hiking trails	R127 463.96	R148,000		R175 663.74		
Maintenance of sports grounds(cutting of grass per month)	Ashton 28000 m <sup>2</sup> Bonnievale 14000 m <sup>2</sup> Montagu 14000 m <sup>2</sup> Robertson 35 000 m <sup>2</sup> McGregor 14 000 m <sup>2</sup>	Ashton 28000 m <sup>2</sup> Bonnievale 14000 m <sup>2</sup> Montagu 14000 m <sup>2</sup> Robertson 35 000 m <sup>2</sup> McGregor 14 000 m <sup>2</sup>		Ashton 28000 m <sup>2</sup> Bonnievale 14000 m <sup>2</sup> Montagu 14000 m <sup>2</sup> Robertson 35 000 m <sup>2</sup> McGregor 14 000 m <sup>2</sup>	None	None
Maintenance of public toilets	10 public toilets	10 public toilets		10 public toilets	None	None
Planting of trees and shrubs	515 trees	411		470	None	None
Maintenance of trees (prune)	574	574		460	Dry spell – limited growth	None
Maintenance of pavements and open spaces (total km to maintain)	160 km Total amount of weed killer used 1110 litres	160 km Total amount of weed killer used 1110 litres		160 km Total amount of weed killer used 870 litres	Prices increased	None
Play park development and maintenance	20 play parks	20 play parks		21 play parks	None	None
Enforcement of cleaning of private ervens (total written notices)	Total written notices: 96	Total written notices: 105		Total written notices: 63	Dry spell – limited growth	None
Control of dogs (number of written notices to private owners)	57	25		17	Less reported complaints	None

**Table 5.19: Cemeteries: Performance Scorecard: 2010/2011**

KEY PERFORMANCE AREAS	BASELINE 2009/10	TARGET 2010/11		ACTUAL 2010/11	REASON FOR VARIANCE (Negative)	CORRECTIVE ACTION
Approval for the development of new cemeteries	Approved 3 Cemeteries	1		1	None	None
Maintenance of cemeteries	20% fencing replaced	20% fencing replaced		30% fencing replaced	None	None
Construction of new graves	Double graves built 21	Double graves built 21		Double graves built 23	None	None
Construction of new graves	Single graves built 69	Single graves built 69		Single graves built 60	None	None
Standard graves (total graves used)	637	620		631	None	None
Application of tariffs	R236 715.56	R240,989		R230693.45	None	None

## FINANCE DEPARTMENT

### INCOME – SALARIES - CREDITORS

This department comprises the following sections; Income, Salaries and Creditors.

- **Income (services, rates and credit control)**

This unit ensures that correct and accurate accounts for municipal services such as electricity, water, sewage, refuse removal and property tax are delivered and payment is collected against billing for better cash management. Moreover the unit implements rigorous credit control procedures on accounts in arrears and identifies indigents. There are 6 municipal pay points and for an after hours service for pre-paid electricity and payment of accounts.

Approximately 100 000 – 120 000 receipts are issued monthly by all pay points.

- **Salaries**

This unit runs the payroll and provides operational support while maintaining a well run and efficient payment office that ensures timeous payment of salaries to councillors and council employees. The department operates from Ashton offices.

- **Creditors**

Make payments to creditors and controls the budget of this department.

- **Credit Control**

Issue reminders, block meters, make agreements for payment of outstanding accounts, and handle administration of indigent subsidies.

- **Rates**

Issue Clearance certificates, list properties to be re-valued (sub divisions & consolidations) update monthly property registrations as per Deeds Office listings, levy annual & interim property rates as well as levies for irrigation water.

### Challenges: 2010/2011

- To send out monthly accounts timeously
- Implementation of the new General Valuation
- To ensure that all meters are read every monthly
- Payment of accurate salaries timely.
- Timely transfer of third party payments.
- Ordinary payment of creditor according council's policies and regulations - Invoices not received on time
- Key position still vacant – Senior Accountant

### Priorities: 2010/11

- Income tax reconciliations according to changes to SARS requirements
- To pay all creditors according to the Municipal Finance Management Act (MFMA) within 30 days of invoice/statement date.
- To ensure that rebates are received for early payments.
- To levy accounts for all services rendered.
- To collect all consumer debt owed to the municipality.
- To provide indigent subsidy to all people qualifying, accounts are still on deceased name in other households
- To levy property rates on all properties registered in the Breed River Winelands Municipal area.

### Future Plans: 2011/2012

- The use of new meter reading device which is more advance.
- Tender for the folding of monthly accounts
- Review of vat reconciliation on a monthly basis
- Restructuring of Income and Expenditure department to address capacity problem
- Provision of Indigent subsidy to consumers who are residing in farms (eg. Farm workers)
- Implementation of a new tariff structure called Inclining block tariff.



**Table 5.20: Income Branch: Performance: 2010/11**

KEY PERFORMANCE AREAS/KPI	BASELINE 2009/2010	TARGET 2010/11		ACTUAL 2010/11	REASON FOR VARIANCE (Negative)	CORRECTIVE ACTION
Number of accounts printed through the new printer	18000 – 19000 accounts per month	18000-19000 accounts per month		18000-19000 accounts per month		
Monthly accounts are levying	9th 10th	9th 10th		9th 10th		
Meter readings	Between 10 – 25th	Between 10-25th		Between 10-25th		
Number of pre-paid water meters	369	386		386		
Number of pre-paid electricity meters	13056	12928		12928		
Water meters read monthly	13561	13596		13596		
Electricity meters read monthly	5673	5419		5419		
Number of account queries	50 pm	60 per month written		60 per month written		
Number municipal pay points managed	6	7		7		
Number of pay points at local businesses	15	15		15		
Number of receipts issued monthly by all pay points	80 000 – 100 000	100 000 – 120 000		100 000 – 120 000		

**Table 5.21: Salaries Branch: Performance: 2010/11**

KEY PERFORMANCE AREAS/KPI	BASELINE 2009/2010	TARGET 2010/11		ACTUAL 2010/11	REASON FOR VARIANCE (Negative)	CORRECTIVE ACTION
Number of Salaries processed	683	703		703		
- Personnel	683	703		703		
- Councillors	19	23		23		
- Contract workers	139	491		491		
Bank transfers for the third party payments for medical aid and housing loans	Last day of each month	Last day of each month		Last day of each month		
Processing and payment of claims for subsistence and travel	Weekly	Weekly		Weekly		
Employee's IRP5s were issued	998	30 June 2011 1473		30 June 2011 1473		
Payment of Ward Committee members	85	100		100		



**Table 5.22: Rates Branch: Performance Scorecard: 2010/2011**

KEY PERFORMANCE AREAS/KPI	BASELINE 2009/2010	TARGET 2010/11		ACTUAL 2010/11	REASON FOR VARIANCE (Negative)	CORRECTIVE ACTION
Completion of General Valuations	2 Interim valuations, October 2009 & June 2010	October 2010 & 30 June 2011		July 2010/January 2011	Siyakhula has been busy with the General Valuation which was completed February 2011 and thereafter they had to deal with the objections.	
Number of properties valued	16 689	17 207		17 207		
Annual rates accounts were levied	14th July	13TH July		13TH July		
Rand value of property valuations	R6 015 647	6,140,381,230		6,140,381,230		
Rand value of rates being levied	R29 142 684	R31 178 062.44		R31 178 062.44		
Number services levied for water, electricity, sewage and refuse removal	18500-19000 per month	18000 – 19000 per month		18000 – 19000 per month		
Rand Value of services levied for water, electricity, sewage and refuse removal	R186 090 493	R215 040 987		R215 040 987		
Date of annual accounts were levied	14th July	13th July		13th July		
Rates clearance certificates	1431	746		746		

**CREDITORS BRANCH: PERFORMANCE SCORECARDS 2010/2011****Table 5.23: Creditors**

KEY PERFORMANCE AREAS/KPI	BASELINE 2009/2010	TARGET 2010/11	ACTUAL 2010/11
Municipal creditors are paid within 30 days: cheque or by electronic bank	100%	100%	100%
30 day turnaround time rebate	1.25% to 2.5%	1.25% to 2.5%	1.25% to 2.5%
Orders issued	7053	7275	7275
Cheque payments	5578 (66%)	4284(52%)	4284(52%)
Electronic transfers	2816 (34%)	4003(48%)	4003(48%)

**Table 5.24: Credit Control**

KEY PERFORMANCE AREAS/KPI	BASELINE 2009/2010	TARGET 2010/11	ACTUAL 2010/11
Debt recovery rate	99.69%	98.71	98.71
Number of Indigents	5778	6185	6185
Outstanding amounts written off for Indigents	R 4 794 095.77	R 2 060 992.51	R 2 060 992.51
Rates policy: total rebate	R6 839 327	R 7 336 979.82	R 7 336 979.82

NB: Responsibility includes credit control measurements on outstanding accounts and identifying indigents.

**Table 5.25: Number of Indigents per town**

2008/09		2009/10		2010/11	
Robertson	1532	Robertson	1878	Robertson	2056
McGregor	67	McGregor	124	McGregor	142
Ashton	1184	Ashton	1483	Ashton	1554
Bonnievale	543	Bonnievale	776	Bonnievale	829
Montagu	1330	Montagu	1517	Montagu	1604
Total	4656	Total	5778	Total	6185

**Table 5.26: Rebates**

Rebates	2008/09	2009/10	2010/11
Rates rebates (residential, government and agricultural)	R 5 601 123	R6 450 380	R4 244 009.46
Rates rebates – pensioners	R 43 849	R37 360	R27 899.04
Rebates – developers	R 492 106	R33 5017	R348 460.30
Rebates - land reform	R 11 264	R16570	R0.00
Rebates – Church	R 759 054.37	R 794 543.14	R 859 552.30
Rebates – Rural Industries	R 18 226.75	R 20 626.56	R 0.00
Rebates – Non “bona fide” farmers	R 563 000.00	R 55 202.16	R 0.00
Rebates – Municipal	R 1 538 931.03	R 1 614 551.65	R 1 762 167.52
Rebates – Protected Areas	R 35 360.70	R 80 146.80	R 94 921.20
Rebates – Public Infrastructure	R 24.03	R 0.00	R 0.00
Rebates – Sports	R 18 378.50	R 20 323.20	R 14 484.00

## SUPPLY CHAIN MANAGEMENT DEPARTMENT

This department Supply Chain Management manages the supply and acquisition of goods and services to the Langeberg Municipality or on behalf of the Municipality. This includes construction works and consultant services, and other goods/services that assist in the provision of municipal services.

SCM is responsible for ensuring a sound, sustainable and accountable supply chain that promotes black economic empowerment and local economic development, and encourages small businesses and joint venture partnerships. This procurement system is fair, equitable, transparent, competitive and cost effective, in accordance with Section 217 of the Constitution of Republic of South Africa.

### Challenges

- Lack of capacity (insufficient personnel) in the SCM unit.

### Priorities: 2010/2011

The key priorities for the department are:

- To compile a database of all local SMMEs and BEEs.
- The procurement of goods and services from the suppliers.
- Processing and issuing of the purchase orders to the various departments.
- To implement the SCM IT Programme – Collaborator.
- To implement the SCM policy of the Langeberg Municipality.
- Administration of tenders
- Provide procurement support and advice to all departments (within the municipality).
- Participate in the tender processes.

### Future Plans 2011/12

Future plans include:

- Capacitate the SCM Unit.
- Arrange the training for the SCM practitioners.

**Table 5.27: Supply Chain: Performance Scorecard 2010/11**

KEY PERFORMANCE AREAS/KPI	BASELINE 2009/2010	TARGET 2010/11	ACTUAL 2010/11
Reviewing and update the supply chain management policy annually to ensure legal compliance and safeguard the municipality against any legal actions	1	Annual revised by 31 March	31 March 2011
Ensuring that the approved SCM policy are complied with by the supply chain unit	0	No/Zero successful appeals against the municipality	0
Submitting the applicable reports to PT on tenders awarded above R1000000	12	Monthly reports	12
Annual update the suppliers database to ensure that a all municipal suppliers comply with legal requirements	100%	Advertised annually in February	100%
Provision of administrative support to the bid and adjudication committees to ensure fast and effective SCM processes	100%	% of bid and adjudication committees supported	100%
Attend to all requisitions received within 14 days to ensure effective service delivery	95%	% of requisitions attended to within 14 days	95%
Report all deviations from normal tender processes to Council during the next council meeting after deviation was done	100%	100% of deviations reported to council	100%
Report to the mayor on a quarterly bases on the implementation of the supply chain management policy	4	Quarterly	4
Monitoring of the monthly telephone usage report	12	Monthly	12



## INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

The Department aims to assist Municipality to take informed decisions through the provision of key information, analysis and research while ensuring that the knowledge residing within the municipality is used to maximum effect. The Department also aims at increasing the availability of information to decision-makers, develop a knowledge management strategy and improve coordination of information and knowledge management across the Municipality.

The Department also aims to strengthen its links with external agencies, so as to ensure seamless acquisition and dissemination of information. To this end, the Information and Communication Technology unit is responsible for the maintenance of all servers, computers, printers and communication networks for the Langeberg Municipality.

### Priorities: 2010/11

- The renewal of Microsoft Licenses
- Installation of environmental system in server room
- Upgrading of internet data line
- Upgrading and implementation of backup exec software
- Installing of wireless network by vending points

### Challenges: 2010/11

- Downtime of GPRS networks that effected vending points
- Downtime of wireless network on high sites

### Future Plans: 2010/11

- Implementation of Microsoft R2 software
- Upgrading of wireless network infrastructure
- Upgrading of network hardware and software

## IT INFRASTRUCTURE PURCHASES

The department had an annual budget allocation of R 700 000 from which the following IT purchases were made:

**Table 5.28**

IT purchases type	Spent
Renewal of Microsoft Licences	R276 215.00
Laptops	R132 264.38
Computer Desktops	R100 581.56
Wireless network installed	R 36 125.17
Environmental System for Server Room	R 32 763.60

### Future Plans

- Implementation of a full disaster recovery site (Phase 2)

**Table 5.29: Information Technology Performance Scorecard: 2010/2011**

KEY PERFORMANCE AREAS/KPI	BASELINE 2009/2010	TARGET 2010/11	ACTUAL 2010/11
Implementation of Disaster Recovery	Dec 09	100%	100%
All request have been attended to within 3 days	100%	100%	100%
Weekly and monthly reports	100%	100%	100%

## BUDGET AND SUPPORT SERVICES

Langeberg Municipality's long-term sustainability hinges on sound financial management practices and compliance with the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

These financial practices that underpin the municipality's process of effective municipal financial management are planning and budgeting, revenue and expenditure management, reporting and oversight. In the past three financial years the municipality has achieved unqualified audits and compiled its financial statement in the new Generally Recognised Accounting Practice (GRAP) Format.

## FUNCTIONS OF THE BUDGET OFFICE

The department is responsible for:

- The compilation of the budget.
- Determination of tariffs.
- Compilation of the Annual Financial Statements.
- Financial reporting in terms of the MFMA and other legislation.
- Asset management.
- Investment of funds.
- Insurance
- Stores

### Challenges 2010/11

- Compiling and submitting GRAP/MFMA compliant financial statements for 2009/10
- Ensure that assets are unbundled in 2010/11
- Resignation of Manager: Budget and Support Services
- Determining a electricity tariff structure that comply with NERSA guidelines

### Priorities 2010/11

- Submitting financial statements compliant with MFMA and GRAP.
- Unbundling of assets in terms of GRAP.
- Compiling a medium term budget for 2011/12.
- Determining tariffs in terms of the tariff policy for approval by Council.
- Submitting financial reports in terms of MFMA.
- Implementing measures to ensure an unqualified audit report.
- Verification of the Asset Register with the General Ledger.
- Finalisation of insurance claims in terms of insurance contract.
- To carry out monthly bank reconciliations.
- Investment of funds in terms of the investment policy.
- To ensure that all stock and stock movements are managed, controlled and recorded.
- Safe storage of all stock and supplies.



**Table 5.30: Budget and Support Services: Performance Scorecard 2010/2011**

KEY PERFORMANCE AREAS	BASELINE 2009/10	TARGET 2010/11	ACTUAL 2010/11
Compiling financial statements complying with MFMA and GRAP	31st August 2009	31st August 2010	31st August 2010
Compiling a medium term budget for 2011/12	23th March 2010	31 March 2011	22 February 2011
Determination of tariffs for approval by Council	24th May 2010	31 May 2011	19 April 2011
Submission of financial reports in terms of MFMA	Within 10 working days of month end	Within 10 working days of month end	Within 10 working days of month end
Implement measures to ensure an unqualified audit report	Unqualified audit report for 2008/2009.	Unqualified audit report for 2009/2010.	Unqualified audit report for 2009/2010.
Verification of the Asset Register with the General Ledger	Asset Register = General Ledger	Asset Register = General Ledger	Asset Register = General Ledger
Perform a physical asset count whereby all movable assets are scanned and compared with the asset register	March – May 2010	March – May 2011	March – May 2011
Discrepancies found	R30,741	R 114 203	R 114 203
Finalisation of insurance claims in terms of insurance contract.	No late claims 47 claims total value R644,317	No late claims 45 claims total value R 931 178	No late claims 45 claims total value R 931 178
Monthly Bank Reconciliations	Average within 10 working days of month end.	Average within 10 working days of month end.	Average within 10 working days of month end.
Investment of funds			
Value of Cash and Cash Equivalents at year end	R 56 476 354	R 80 301 511	R 80 301 511
Interests Earned for year.	R 7 338 969	R 5 482 871	R 5 482 871

## MUNICIPAL MANAGER'S OFFICE

### LOCAL ECONOMIC DEVELOPMENT

The department is responsible for developing and implementing programs and projects that promote sustainable livelihoods, poverty alleviation and economic development opportunities for all citizens in Langeberg Municipality.

Against this backdrop, the department facilitates the economic activities of the municipality with a primary focus on skills development, increasing trade and investment, Black Economic Empowerment (BEE), supporting small businesses enterprises and sourcing funding for entrepreneurs. All these activities improve the participation of youth, companies run by women and the physically challenged in the main stream.

The department achieves economic development for the municipality through tourism, rural development, land reform and other special projects. During 2010/11, the department focused on a number of priorities.

#### Priorities 2010/11

- Enterprise Development
- Arts and Culture Development
- Langeberg Natural Management Programme
- Skills Development in roads and Maintenance
- Facilitating the approval of seed funding applications.
- To create employment opportunities.

#### Challenges 2010/11

- Interdepartmental co operation

#### Future Plans 2011/12

- Neighbourhood development programme.
- Proposal calls for industrial development.
- Arts and Culture Development Programme (phase two).
- Enterprise Development Programme (phase two).
- Poverty alleviation Programme.
- Expanded Public Works Programme.

**Table 5.31: Training and Development**

Training	Beneficiaries	Youth	Female	Male	Date
SMME Briefing session	79	n/a	33	46	19/11/2010
Binding Multi Recycling Co-op (cooperative training)	32	04	08	24	29/11/2010
Stommers Paper Recycling Co-op (Bonnievale) (cooperative training)	11	n/a	05	06	30/11/2010
Bonnievale Disabled Co-op (cooperative training)	04	n/a	00	04	30/11/2010
Bram disabled Co-op cooperative training)	05	n/a	00	05	30/11/2010
Zanokhanyo water Forum Co-op (cooperative training)	06	n/a	04	02	30/11/2010
Robertson Road Repair & Maintenance (cooperative training)	15	n/a	04	11	01/12/2010
Ashton Road Repair & Maintenance (cooperative training)	08	n/a	00	08	02/12/2010
Bonnievale Road Repair & Maintenance cooperative training)	08	01	01	07	03/12/2010
Nkqubela Building Construction (Co-op training)	15	n/a	04	11	03/12/2010
Ashton Small Scale Farmers (Co-op training)	06	n/a	00	06	07/12/2010
Nkqubela Construction (Co-op training)	15	n/a	04	11	08/12/2010
Bake for Profit Co-op (co operative training)	06	n/a	04	02	09/12/2010
Client Consultation (Mentoring session)	11	n/a	02	09	09/012/2010
Khuphukani Women project Co-op (Small Scale Farmers) (cooperative training)	03	n/a	03	00	10/12/2010
Client Consultation (mentoring session)	09	n/a	02	07	14/12/2010
Client Consultation (mentoring session)	02	n/a	01	01	15/12/2010
Client Consultation (Mentoring sessions)	06	n/a	02	04	13/01/2011
Client Consultation (Mentoring session)	01	n/a	00	01	14/01/2011
Business Plan Writing	12	n/a	04	08	18/01/2011
Business Plan writing	15	n/a	11	04	19/01/2011
Financial Management	09	n/a	03	06	26/01/2011

Training	Beneficiaries	Youth	Female	Male	Date
Finance training	08	n/a	05	02	08/02/2011
Client Consultation (mentoring session)	21	n/a	10	11	09/02/2011
Client Consultation (Mentoring session)	21	n/a	10	11	14/02/2011
Client Consultation (Mentoring session)	03	n/a	01	02	16/02/2011
Budget Training	21	n/a	10	11	24/02/2011
Business Skill (Start-up) Robertson	20	08	09	11	14-17/03/2011
Ashton	25	07	14	11	14-17/03/2011
ECD Eco Mining Co-operative training	05	n/a	02	03	24/03/2011
Vuka Compost project( Co-operative training)	04	02	01	03	25/03/2011
Crab General Maintenance (Co-operative training)	07	02	05	02	25/03/2011
SARS Small Business and income tax training	05	n/a	n/a	n/a	29/03/2011
More son Beauty Hair Salon (Co-operative training )	05	03	04	01	30/03/2011
SARS small Business and income tax	28	10	14	14	31/03/2011
EDP Mentoring Consultation	01 01	n/a n/a	00 00	01 01	12/04/2011 14/04/2011
Corporate Governance and Policy Workshop (SAMAF)	15	n/a	n/a	n/a	14/04/2011
EDP Mentoring Consultation	03	n/a	00	03	18/04/2011
E D P Co-operative	06	n/a	03	03	18/04/2011
SMME- Development Programme (Bookkeeping Training)	23	07	14	09	20/04/2011
SMME-Development Programme (Mentoring Consultation )	02	00	00	02	10/05/2011
	10	n/a	07	03	12/05/2011
	12	n/a	04	08	26/05/2011
Health and Safety	35	23	22	12	31/05- 01/06/2011

### Local Economic Development Projects: 2010/11

- Upgrade of Zolani Taxi Rank
- NDPG Status quo report.
- Phase 1 Arts and Culture Development programme
- Phase 1 Enterprise development Programme

### Funding

The Led department facilitated the seed funding applications and managed to secure funding for the following start up businesses from the Cape Winelands District Municipality business plans were drawn up by the LED Department see table below:

**Table 5.32**

BUSINESS NAMES	ADDRESS	LOCATION MUNICIPALITY		CONTACT DETAILS	FUNDING REQUESTED FOR	AMOUNT REQUESTED	FUNDING AMOUNT RECOMMENDED
Unicuts Barbershop	8 Africa Street Uitbreidings Robertson	Langeberg		073 721 7581	Hair cutting equipment	R4 000.00	R10 000
Synman Tree Cutting	4 Rosita street Panorama Robertson	Langeberg		074 738 1010	Protective clothing equipments	R14 948.72	R15 000
Do it@Els Computer Printing	40 Silwerboom str. Mountain View Montagu	Langeberg		072 206 9355	Equipments	R40 000.00	R20 000
Langeberg Cement Works Co-operative	10 Wilge Avenue Montagu	Langeberg		084 658 1638	Equipment material	R35 966.68	R15 000
Nyawuza Car wash & Braai	7 Biko street Nkqubela Robertson	Langeberg		083 760 6448	Stock, Steel fencing	R25 000.00	R15 000
Nomazu African Meal	648 Mtonzima street Nkqubela Robertson	Langeberg		079 250 6808	Wages equipment stock	R40 000.00	R15 000
J&S Catering Service	Almeria Avenue P.O.Box33 Bonnievale	Langeberg		082 588 1037	Rent equipment	R30 000.00	R15 000
CBR Renovators	9 Swartolien Avenue Ashbury Montangu	Langeberg			Tools	R14 843.71	R15 000
Sivu Mzondi Traditional Food Restaurant	NH62 Building str. Zolani	Langeberg		072 106 4233	Container equipment crockery	R40 000.00	R15 000
Ricci's Spaza	8 Dagbreek str. Robertson	Langeberg		073 126 9906	Container stock	R40 000.00	R20 000
Sam's Upholstery	31Matoti str.Zolani, Ashton	Langeberg			Equipment Fabrics	R30 000.00	R20 000
Bramm Disable Consumer Group	20 Coliginy str. Dorpsig Robertson	Langeberg		079 944 2667	Computers & Laptops	R40 000.00	R20 000
Tsepiso's Car wash	17 Mbotshelwa str. Zolani Ashton	Langeberg		073 122 7720	Equipments, Uniforms	R34 094.41	R15 000
Ashton Wassery	30 Gardenia str. Ashton	Langeberg		071 703 9300	Equipments	R40 000	R20 000
Blinds for Africa	58 Malva str. Robertson	Langeberg		078 358 1722	Tools, Material & labour	R40 000	R15 000



**Table 5.33: Training and Performance: Arts and Culture Development**

Training	Beneficiaries	Youth	Female	Male	Date
Performance & Assessment	Luxolo Gospel Group	12	4	8	30/01/2011
	St. Moses male Voices	3	0	05	30/01/2011
	Ashton Male Voice	3	0	07	30/01/2011
	Michell stainfliet	1	1	0	30/01/2011
Performance & Assessment	DJN Ministries	2	2	0	30/01/2011
	Mic Stand	3	0	3	30/01/2011
	Hip Hop Victims	5	0	5	30/01/2011
	D -Skwat	4	0	4	30/01/2011
	Young Victims	4	0	4	30/01/2011
	Rhyen Las	1	0	1	30/01/2011
	Masakheke Youth in Action (Gumboot dance)	13	0	13	05/02/2011
	Jiva Divas	8	8	0	05/02/2011
	AmaEtais	7	7	0	05/02/2011
	Shooting star	8	8	0	05/02/2011
	VIG	9	9	0	05/02/2011
	Luxion Culture	5	0	5	06/02/2011
	Ikamva lethu	3	0	3	06/02/2011
	Curtains Calls	7	2	5	06/02/2011
	Stars of Tomorrow	18	7	11	06/02/2011
	Siyazakha youth for Change	9	4	5	06/02/2011
	Siyazakha Youth for Change	9	4	5	06/02/2011
	St. Moses Male Voice	4		6	12/03/2011
	Siyazakha Youth for change	9	4	5	20/03/2011
	Masakhane youth in Action Drama	15	4	11	20/03/2011
Introduction to the Performance Arts industry	21	20	10	11	29/03/2011
Introduction to the Performance Arts industry	35	34	10	25	30/03/2011
Performance & Assessment	St. Moses Male Voice	4	0	7	04/06/2011
Performance & Assessment	Luxolo Gospel Group	14	4	10	04/06/2011

**Table 5.34: Local Economic Development: Performance Scorecard 2010/2011**

KEY PERFORMANCE AREAS	BASELINE 2009/2010	TARGET 2010/11	ACTUAL 2010/11	REASON FOR VARIANCE (Negative)	CORRECTIVE ACTION
Arts and culture development Training beneficiaries trained		100	183 individuals		
Small Business beneficiaries trained		200	300		
Number of businesses Funded			15 (seed funding)		
Rand value of small business funding sourced and distributed.			R240 000 (seed funding)		
Number of: 2008/09 seed funding beneficiaries Monitored for sustainability	9	9	15		
Complete the Status quo Report	June 2010	complete	Completed 19 April 2011		
Start the Neighbourhood project (Taxi Rank)	New project	complete	13 July 2011		
Number of Jobs created through LED programmes in the Municipality	Indirect work opportunities 70 Thusong center Zolani taxi rank 21 general workers and 4 smmes & direct work opportunities = 536 total 627	500	627		



## TOURISM, RURAL DEVELOPMENT AND SPECIAL PROJECTS

The Department plays a crucial role towards the economic development of the region as well as the social upliftment of the farming communities. This contribution is made through Tourism, Rural Development and Special projects. The Tourism sector has the potential to become the number one (1) economic sector in the region

### TOURISM

#### Priorities 2010/11

The priorities for the 2010/11 financial year were:

- Compile a long term Tourism marketing Strategy
- Produce a Tourism promotional DVD of the region
- Design, print and distribute suitable marketing material
- Attend the Durban Indaba

#### Challenges 2010/11

- Collecting of reliable Tourism statistics from the sector to determine the economic impact the sector has on the region
- The “buy in” of all role players towards a common goal
- Capacity within the department to render the service effectively

#### Future Plans

- The effective role out of the Tourism Marketing Strategy
- The distribution of the Tourism Promotional DVD to suitable recipients.
- To host a Langeberg Tourism Expo in 2012
- To continue to promote the region as a preferred destination

#### Performance 2010/11

The Tourism Operational Budget for the 2010/11 financial year was R900 000.00 and the following was implemented;

- Financial support to Robertson Tourism Office
- Financial Support to Montagu/Ashton Tourism Office
- Attendance at the Durban Indaba
- Production of the Tourism Promotional DVD
- Appointment of a consultant to compile the Tourism Marketing Strategy
- The design, printing and distribution of marketing material

## RURAL DEVELOPMENT

The Rural Development function in the Langeberg Municipal region is rendered through a partnership between the Langeberg Municipality, farmers, farm workers and wine cellars. The section 21 company, Breede River / Winelands Rural Development Association, was established in 2003

The objectives of the Breede River / Winelands Rural Development Association are as follows;

- To establish partnerships between the commercial farmers, farm workers, wine cellars and the Municipality
- To establish a functional network of present and future service providers for the rural communities
- To promote integrated rural development and social upliftment with the purpose of improving the quality of life and the standard of living of farm workers
- To promote the social, health, civic, physical, economic and intellectual development of rural communities
- To promote rural development in general in the Langeberg area
- To empower farm communities, through skills development initiatives, to take ownership of their own developmental needs

#### Priorities 2010/11

The priorities for the 2010/11 financial year were;

- Support to early childhood development facilities
- Support to community vegetable gardens
- Establishment and support to farm committee's
- Marketing of the Steelband
- Implementation of substance abuse programmes
- Adult basic education training
- Farm Worker of the Year
- Sport development

#### Challenges 2010/11

- The vastness of the Municipal area, especially now that the DMA has been included
- Lack of capacity to effectively render the service
- Lack of support from other tiers of Government
- The registration of all Early Childhood Development facilities
- Malpractices on farms

#### Future Plans

- Obtain funding for the implementation of a Penny Whistle project for the Bonnievale area
- Obtain funding for the further development of the Steelband
- Continue support to Early Childhood Development facilities and enter into an agreement with the Graham and Rhona Beck Skills Centre for the appointment of a coordinator
- Continue support to community vegetable gardens
- Capacitate farm committee members to function effectively
- Continue to support other programmes such as, substance abuse programmes, farm worker of the year competition, sports development, rural libraries etc.

### Performance 2010/11

The Rural Development Operational Budget for the 2010/11 financial year was R300 000.00 and the following was implemented;

- Support to the Farm Worker of the Year event. Further funding received from the Department: Agriculture
- Support to 35 Early Childhood Development facilities by providing educational toys, basic stationary and assistance with daily programmes and activities. Training was provided by Boland College and Graham and Rhona Beck Skills Centre.
- Establishment and support to farm committee's by providing training which was provided by the Department: Agriculture
- Continued support to the Steelband by providing branded t-shirts, banner and the marketing function. The BRWRDA remunerates Mr. J Hargreaves who acts as the band instructor. Performances were done at the Wacky Wine Weekend, SATSA meeting, schools, Cape Winelands District Municipality and Department: Education
- There are 40 Vegetable Gardens which received seed, fertiliser, compost and insecticides. The annual garden competition is supported and funded by the Robertson Wine Valley, Department: Agriculture, Terason and Kaap-Agri
- Substance Abuse Programmes were rendered throughout the rural areas and Life Skills Training Programmes were held for 40 youth at the Montagu Guano Caves. The programmes were funded by the Department: Agriculture. Programmes were also implemented by FAS Facts, Alcoholics Anonymous (AA), Christelike Afhanklikheidsdediening (CAB) and Christelikheidsdiens (CAD)
- Sports Development continued with farm workers participating in the Provincial Farm Worker Sports Day in Swellendam. Sporting equipment and Kit was distributed to 14 rugby teams, 10 cricket teams, 12 soccer teams and 10 cricket teams. This was achievable through the funds received from the National Lotteries Board.
- Rural libraries received 9 boxes of Afrikaans books from Exclusive Books and all the libraries are visited and supported
- Adult Basic Education programmes continued and learners were provided with basic stationary to assist them with their education.
- A number of farm profiles have been completed to ascertain the positive and negative aspects on each farm
- A number of mal-practices on farms were referred to the Department: Labour and the Cape Winelands District Municipality

### SPECIAL PROJECTS

Special Projects includes any specific projects outside the function of Tourism and Rural Development which needs to be addressed. There is no specific budget for special projects.

### Priorities 2010/11

- Upgrading and maintenance of the Steam Locomotive in Ashton
- Erection of welcome signs in Robertson, McGregor and Montagu
- The implementation of the Langeberg Cement Works project in Montagu
- Support to community vegetable gardens
- Assist with land reform projects

### Challenges 2010/11

- Lack of assistance from other tiers of government
- Lack of capacity within the department
- The overwhelming need for agricultural land for emerging farmers

### Future Plans 2010/11

- The erection of welcome signs in all the towns.
- Continual support to community vegetable gardens
- Acquire agricultural land for emerging farmer development

### Performance 2010/11

- Completed the upgrading and maintenance of the Steam Locomotive
- Welcome signs purchased and erected in Montagu, McGregor and Montagu
- Provided seed, compost, fertiliser and insecticides to vegetable gardens in Zolani, Cogmanskloof and Ashton.
- Attended a number of land reform meetings with the Department: Agriculture, Department: Rural Development and Land Reform and other role-players to assist with land reform projects for emerging farmers.

### INTERNAL AUDIT

Langeberg Municipality's Internal Audit department has been established in terms of sections 165 (i) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).

The main purpose of the Internal Audit is inter alia:

- To ensure that risks are identified and managed properly.
- To ensure that correct and accurate financial, management, and operational control systems and procedures are in place to enable management to gain trustworthy information useful in decision-making processes.
- To evaluate the performance management system and performance reports.
- To control policies, regulations, and procedures in terms of prescribed guidelines and applicable laws.
- To ensure that high quality service delivery takes place by the economic and efficient utilisation of available resources.
- To implement the processes and procedures on an ongoing basis according to Council policy.

### Key Priorities: 2010/11

- Risk analysis for all departments.
- The internal audit annual work plan for all Departments.
- Performance Information Auditing.
- Co-ordinating Audit Committee Meetings.



## AUDIT COMMITTEE

Langeberg Municipality's Audit committee was established on the 1st August, 2006 and members were appointed for a period of 3 years in terms of Section 166 (1) of Act 56 of 2003 – Local Government: Municipal Finance Management Act, 2003.

The Audit Committee is responsible for the oversight of internal controls, financial reporting and compliance with regulatory matters. The committee should mainly make recommendations to management, including, the following:

- Review the effectiveness of the Council's system of internal control and risk management.
- Review the financial reporting.
- Review of the financial statements.
- Review the Internal Audit function.
- Review the Auditor General's report.
- Review the Council's compliance with legislation and regulation.
- Review the Compliance with the Council's Code of Conduct and ethics.
- Performance Management.

During 2010/2011 the Audit Committee had (3) members. The third member was appointed during August 2010. The Committee convened (4) meetings compared to 5 meetings in 2009/10 financial year.

**Table 5.35**

Audit Committee Members	Number of Meetings: 2009/10	Committee Member Attendance	Number of Meetings: 2010/11	Committee Member Attendance
Dr B van Rensburg Chairperson:	5	Attended 5	4	4
Mr P Dreyer	5	Attended 5	4	4
Mr JJ Mostert	-	-	4	3

**Table 5.36: Internal Audit: Performance Scorecard 2010/2011**

KEY PERFORMANCE AREAS	BASELINE 2009/10	TARGETS 2010/11	ACTUAL 2010/11	REASON FOR VARIANCE (if negative)	CORRECTIVE ACTION
Complete a comprehensive Risk analysis for all departments	100% completed 31 May	31 May 2011	20 May 2011	No variance	
Develop Annual Audit work plan for all departments	Approved on 21 June	Approve before 30 June 2011	Approved on 23 June 2011	No variance	
Number of performance information Audits conducted and completed	4 (quarterly)	4 (quarterly)	4 (quarterly)	No variance	
Number of Internal Audit Committee Meeting Coordinated	5 meetings were held	4 meetings	4 meetings	No variance	
Submission of a memo within 7 days after the audit has been completed	Average within 2 days	Average within 2 days	Average within 2 days	No variance	

## EXECUTIVE SUPPORT SERVICES

The primary responsibility of the department is to facilitate the development and implementation of the Integrated Development Plan (IDP) and the Performance Management (PM). The department has to ensure that the Integrated Development Plan (IDP), the Service Delivery Integrated Development Plan (SDBIP), and the budget, are well aligned and that all legislations and policies relevant to the above-mentioned instruments are complied with. In so doing, the department facilitates the expedient identification of community needs, which must be prioritised accordingly and incorporated into the IDP.

The department is also responsible for stakeholder management, international, intergovernmental affairs and professional services which are critical to building a positive image of the municipality.

### Priorities 2010/11

- Completion of a Legally compliant IDP and SDBIP
- Timeous submission of Section 57 scorecard
- Implementation of new name & Logo
- Facelift to the Municipal Newsletter
- Communication to public on waste management
- Development of new municipal website

### Challenges 2010/11

- The municipality does not have an intranet system.
- Effective communication with communities.
- Internet Security
- Implementation of PMS system below Section 57
- Development of Implementation strategy for LED
- Capacity constraints with the implementation of the website

### Future Plans: 2011/2012

- Maintenance of Municipal website – user friendly
- Co-operation with other Government departments Jamborees – taking government services to the people.
- Awareness campaign around Waste Management within municipal area
- Awareness campaign on HIV/ AIDS within municipal Area
- Introduction of Internal Newsletter to staff on monthly basis
- External newsletter on a monthly basis to community

**Table 5.37: Support Services Performance Scorecard: 2010/2011**

KEY PERFORMANCE AREAS	BASELINE 2009/10	TARGETS 2010/11		ACTUAL 2010/11	REASON FOR VARIANCE (if negative)	CORRECTIVE ACTION
1. Submit the IDP process Plan to Council for Approval	August 2008	August 2009		22 July 2009 A 2220		
2. Submit draft IDP to Council	24 May 2009	May 2010		23 March 2010		
3. Publish draft IDP for public comments	April 2009	April 2010		April 2010		
4. Submit accredited IDP to Council	22 May 2010	June 2010		24 May 2010 A 2375		
5. Submission of approved IDP to relevant departments	Within 10 days after approval	Within 10 days		after approval		
6. Completion of the SDBIP	30 June 2009	30 June 2010		Approved 24 June 2010		
7. Number of Section 57 PMS agreements signed by 31 July	5	5		5		
8. Municipal newsletter produced (external)	3	4		4		
9. Development of new website	1 (30 June 2010)	30 June 2011				
10. Facilitate press releases	22 articles			32		
11. Tabling of draft annual report	23 March 2010	30 March 2010		2 December 2010		
12. Complete the draft performance report	31 August 2009	31 August 2010		27 July 2010 A 2389		
13. Tabling of draft annual report	23 March 2010	30 March 2010		2 December 2010		
14. Notification to public on adopted draft annual report	14 February 2010	Done		24 December 2010		
15. Submission and Adoption of the Final Annual report and Oversight Report	25 March 2010			22 January 2010 A 2317		
16. Mid-year performance report tabled	25 January 2010			22 February 2011		
17. Number of advertisements placed	241			211		
18. Number of reports on twinning agreement	4	2		2		
19. Monthly SDBIP report	8	10		10		

## CORPORATE SERVICES

### GENERAL ADMINISTRATION: WARD COMMITTEES

This department is responsible for managing and co-ordinating Ward Committees and Public Participation within the Langeberg Municipality.

Their aim is to strengthen public participation governance and to deepen democracy through effective and efficient public participation processes within the Langeberg Municipal area by placing our people at the centre of development.

#### Function of the department:

- To render the managerial support service to the Office of the Speaker
- To manage and effectuate an effective Participatory Ward Committee System.
- To assist in smooth service delivery and enhance public participation activities by the Community Liaison Workers.
- To train, support and provide resources to ward committees.
- To develop a culture of participatory governance that encourages and creates conditions for communities and stakeholders to participate in:
  - Preparation
  - Implementation and
  - Review of its IDP
  - Preparation of the budget.

#### Training Needs and Capacity Building

A three day training session were conducted with ward committee members of wards 4 and 9 in how effectively to construct a meeting with a NQF level 4 accreditation in November 2011.

A Tourism information session was attended by all ward committee members during February 2011.

All Community Liaison Workers attended the following training sessions:

**Table 5.38**

TRAINING	MONTH
Minute Taking	October 2010
Power Point	November 2010
Project Management	March 2010
Power Point Presentation	May 2011

#### Councillor attendance of Ward Committee Meetings

- An attendance register forms part of Ward Committee agendas
- Ward Committee meetings are monitored on a regular basis by the Speaker, Manager General Administration and Ward Committee Coordinator. The attached table represents the ward committee meetings held as from July 2010 till April 2011.
- Ward committee meetings are scheduled on a monthly basis and Special Meetings occur as requested by ward councillors. A total of 84 ward committee meetings were held during the 2010/2011 financial year as to the 97 ward committee meetings in 2009/2010 financial year due to the fact that ward committee meetings for December 2011 were suspended by the Speaker and the term of office for ward councillors have ended May 2011.

**Table 5.39: Ward Committee Meetings Schedule As From July 2010 Till April 2011**

Ward	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
1	Y	Y	Y	Y	Y	N	Y	Y	Y	Y
2	Y	N	N	Y	Y	N	Y	Y	Y	Y
3	Y	Y	Y	Y	Y	N	Y	Y	Y	Y
4	Y	Y	Y	Y	Y	N	N	N	Y	Y
5	Y	Y	Y	Y	Y	N	N	Y	Y	Y
6		Y	Y	Y	Y	N	Y	Y	Y	Y
7	Y	Y	Y	Y	N	N	Y	Y	Y	Y
8	Y	Y	Y	Y	N	N	Y	Y	Y	Y
9	Y	Y	Y	Y	N	Y	Y	Y	Y	Y
10	Y	Y	Y	Y	N	Y	Y	Y	Y	Y

- Council approved a decision whereby PR-Councillors are deployed to all 10 ward Committees.

Ward based Plans were conducted in all ten wards as from October 2010 till November 2010 and a total of 23 ward community meetings were held during the 2010/2011 as to 20 ward community meetings in the 2009/2010 financial year.

**Table 5.40**

Wyke/Ward	Datum/Date	Lokaal/Venue	Tyd/Time	Personneel/Personnel
1 & 3	09/10/2010	Civic Hospitaallaan	08h00 tot 14h00	Messrs Coetzee/Brönn and Mss Jansen, Richards Liemens
4 & 9	30/10/2010	Happy Valley	08h00 tot 14h00	Messrs Coetzee/Brönn and Kortje Ms L Jansen
6 & 7	6/11/2010	Willem Thyslaan	08h00 tot 14h00	Messrs Coetzee/Brönn Mss Swanepoel and Fikizolo
8	20/10/2010	Bonnievale Munisipaliteit	18h00 tot 21h00	Messrs Coetzee/Brönn and Mr.Kortje
2	04/10 2010	Nkqubela Community Centre	18h00 till 21h00	Mr. Mfutwana and Me. Kahla
10	20/10/2010	Zolani Community Hall	15h00 till 19h00	Mr. Mfutwana and Ms Fikizolo
5	27/09/2010	McGregor Kantoor	18h30 tot 21h00	Messrs Coetzee/Brönn and Jansen

### WARD BASED CONSULTATIONS

Ward Based Capital Projects within the 2010/2011 financial year. The ten Ward Based Capital Projects priorities for the 2010/2011 financial year were all finalized. Monitoring was done by the ward committee members on a regular basis.

Ward Capital projects were identified and prioritized and included in the draft Budget which has culminated in an IDP/Budget consultative process as from 1 March 2011 till 17th March 2011. All Ward Councillors and Ward Committees were part of these consultative interactions with their respective communities. Below find table of Ward Based Planned sessions held and allocations in all ten wards:



### Ward Base Planning and Budget allocation

These priorities were included in the Multi Year Capital Budget for the 2010/2013 financial year. Below find the different ward based priorities as been budgeted.

**Table 5.41**

Ward	Priorities	Cost
1	Teer van strate in Môreson	R588 000
	Opgradering van Krieket grond Van Zylstraat	R 740 000
	Opgradering Swembad	R155 000
2	Street lighting Project	R75 000
	Upgrading of Parks	R 56 000
3	Thusong Centre	R 10 500 000
	Teer van strate	R149 000
	Opgradering Swembad	R 405 000
4	Opgradering P ublieke Toilette	R 120 000
5	Teer van strate	R 663 000
	Opgradering waterwerke	R 1 850 000
6	Opgradering van Gemeenskapsaal	R130 000
7	Opgradering van watererke	R 7500 000
	Opgradering van stormwaterstelsel	R1500 000
8	Watersuiweringswerke opgradering	R 500 000
	Beligting: Kruinsingel	R30 000
9	Upgrading of Public Toilets	R 120 000
10	Sportsfield Upgrading	R 1 200 000
	Tarring of Roads	R 999 500



### MUNICIPAL IMBIZO'S

The council has accepted a Mayoral Imbizo Capital Budget Spending Programme in October 2010 to present information on what was done during the 2009/2010 Financial Year and what will be done in the 2010/2011 financial year as per programme below:

**Table 5.42: Imbizo's: October 2010**

DATE	WARD	TOWN	TIME	VENUE
05/10/2010	1	Robertson	19h00	Civic Centre
12/10/2010	2	Nkquebela	19h00	Community Hall
05/10/2010	3	Robertson	19h00	Civic Centre
14/10/2010	4	Bonnievale	19h00	Happy Valley
18/10/2010	5	McGregor	19h00	Municipal Office
07/10/2010	6	Montagu	19h00	Wiilem Thys
07/10/2010	7	Montagu	19h00	Wiilem Thys
14/10/2010	8	Bonnievale	19h00	Chris Van Zyl
11/10/2010	9	Ashton	19h00	Barnard
06/10/2010	10	Zolani	19h00	Community Hall

### Budget Imbizo :2010/11-2012/13

During the month of March 2011, information and consultative meetings were held in all ten wards. Community Liaison Workers assisted in the distribution of flyers and load hailing with the Traffic Department in all ten wards. All the interested organisations and the individuals of all sectors were invited to attend the above-mentioned scheduled meetings per ward.

**Table 5.43**

DATE	DAY	WARD	TOWN	VENUE	TIME
01-Mar-11	Tuesday	6	Montagu	Willem Thys	19:00
02-Mar-11	Wednesday	7	Montagu	Hofmeyer	19:00
03-Mar-11	Thursday	10	Zolani	Community Hall	19:00
07-Mar-11	Monday	9	Ashton	Barnard Hall	19:00
08-Mar-11	Tuesday	8	Bonnievale	Chris v Zyl Hall	19:00
09-Mar-11	Wednesday	4	Bonnievale	Happy Valley	19:00
10-Mar-11	Thursday	5	McGregor	Municipal Offices	19:00
14-Mar-11	Monday	1	Robertson	Town Hall	19:00
16-Mar-11	Wednesday	3	Robertson	Community Hall	19:00
17-Mar-11	Thursday	2	Nqkubela	Community Hall	19:00

## ADMINISTRATIVE SUPPORT

A position of Ward Committee Coordinator has been established and 6 Community Development Workers have also been realigned as Community Liaison Workers. Their functions include assistance with administration. All Community Liaison Workers also filled the position of Secretariat to their respective Ward Committees which, amongst others, incorporate the following:

Compilation and circulation of Notices to Ward Committee Members.

- Compilation (*in consultation with the Ward Councillor*) and circulation of Agendas to Committee Members.
- Responsible for managing attendance registers during Ward Committee meetings.
- Taking minutes of Ward Committee meetings which were to be submitted to the Manager: Ward Committees and Client Services, within 7 days after meeting being held, for further processing. (Internal memos to be sent to relevant Departments for addressing complaints, enquiries, needs etc.).
- Responsible for follow-ups and monitoring of all complaints, queries, needs etc.
- The processing of feedback from Manager: General Administration and Ward Committee Coordinator and Speaker in terms of Ward Committee meetings.
- Give guidance and advice with regard to meeting procedures.
- Responsible for logistic arrangements in respect of Community meetings.

The community/general public from the various towns within the Langeberg Municipality makes regular use (daily) of the service points/offices. A further benefit of Community Liaison Workers is when a complaint is received, and a site inspection should be carried out, then they are resourceful in all towns.

Community Liaison Workers are responsible for the operation of the CCM system in each town. Community Liaison Workers must further see that the data captured is complete and correctly recorded for further processing for statistics in Ashton.

Further functions of the Community Liaison Workers are:

1. To render an enquiry and information service to the public in terms of an information desk, regarding CCM:
  - Handle problem situations and enquiries received from councillors and general public regarding all municipal departments.
  - Manage the allocated area's "information desk".
  - Manage the allocated area's information programme i.r.o Information regarding infrastructure and environmental projects.
2. To assist the Manager: General Administration and Ward Committee Coordinator in terms of complaint management system and other ad-hoc functions.
3. Render client service functions in allocated area
  - Manage "information desk" regarding enquiries and advice services for:
    - *Corporate Services, Financial Services, Infrastructure Development, Community Services, Strategic Programmes, IDP matters, Tourism matters*
  - Reportage and feedback to Manager General Administration and Ward Committee Coordinator.
  - To effectuate publicity and promote the image of the greater Langeberg Municipality.

4. Render an administrative support service regarding ward committee system.
  - Education and training of members
  - Assist with the Community Ward Based Planning process and IDP review.
  - Assist with capacitation of the elected representatives on the 10 ward committees regarding:
    - *Organize venues and functions*
    - *Responsibilities and participation*
    - *Relationship between Ward Councillor, ward committee, Municipality and Community.*
5. Render a secretarial service to the Ward Committees
  - To render an effective client service and ward committee system within the greater Langeberg Municipality.
  - Promotion/marketing of Langeberg Municipality's image by way of effective client service and pro-active public relations service.
6. Administration: Reports, Correspondence and Meetings.
  - Provide assistance to Manager: General Administration and Ward Committee Coordinator as needed
  - Perform related administrative duties and responsibilities as required
  - Advise on policy issues and/or arrange for the provision of required advice
  - Manage daily office administration regarding the client office of the allocated area
  - Report and feedback to Manager: General Administration and Ward Committee Coordinator on a monthly basis.
  - Render an effective administration auxiliary support service.

## CLW AND RESPECTIVE WARDS

**Table 5.44**

Name and Surname	Town/Area	Ward Deployed
Ms.Octavia Richards Liemens	Robertson	1 & 3
Ms.Lindiwe Kahla	Bonnievale	4 & 8
Ms. Nandipha Fikizolo	Zolani and Nkquebela	10 & 2
Mr.Johannes Jansen	McGregor	5
Ms.Charmain Swanepoel	Montagu	6 & 7
Ms. Lucrecia Jansen	Ashton	9

## Financial Support: Ward Committees

Ward Committees are functioning in terms of an approved budget with specific reference to transport, refreshments, stationary, furniture other office equipment such as computers, printers, memory sticks, etc.

An out of pocket allowance of R250, 00 per urban, rural committee members is paid for attending Ward Committee meetings as per National Framework Guideline.

## STRATEGIC OBJECTIVES FOR WARDS COMMITTEES

Period 2011/2015

2011/2012

1. Awareness Program-Establishment of Ward Committees
2. Information Sessions per Ward: Role and Responsibilities of Ward Committee
  - Role and Responsibility of Ward Councillor
  - Role and Responsibility of Community
  - Role and Responsibility of Administration (Municipality)
3. Election process: Establishment of ward committees'
4. Inauguration of Ward Committees
5. Marketing and introduction of ward committees.
6. Database populated per ward committee
7. Calendar of Ward Committee meetings and Programs
8. Training and Development Programme establish for ward Committees
9. Community Ward Based Planning for wards
10. Ward profiling
11. Service level Agreements to be develop between Ward and Community and Municipality
12. Ward Plans per ward
13. Code of Conduct signed and entered between Municipality and Ward Committee members.
14. Upgrading of Website :Ward Committees

2012/2013

1. Marketing and introduction of ward committees.
2. Database populated per ward committee
3. Calendar of Ward Committee meetings and Programs
4. Training and Development Programme : Ward Committees
5. Community Ward Based Planning for wards
6. Ward profiling
7. Service level Agreements to be develop between Ward and Community and Municipality  
Monitoring and Evaluation Toolkit to be develop per ward.
8. Ward Plans per ward:-Reviews
9. Events Program developed per ward
10. Community Feedback Programme
11. Community Survey per ward: Service Deliver issues.
12. Inter Government Service Delivery Summits
13. Strengthening of Public Participation with sister Departments.
14. One ICOP: IZIMBISO for Municipality
15. Walkabouts in Wards : Monitoring and Evaluation of Projects
16. Assessment of Functionality of Wards : Assessment Teams

2013/2014

1. Calendar of Ward Committee meetings and Programs
2. Training and Development Programme :Ward Committees
3. Community Ward Based Planning for wards: Reviews
4. Ward profiling
5. Service level Agreements to be develop between Ward and Community and Municipality  
Monitoring and Evaluation Toolkit to be develop per ward.
6. Ward Plans per ward:-Reviews
7. Events Program developed per ward
8. Community Feedback Programme
9. Community Survey per ward: Service Deliver issues.
10. Inter Government Service Delivery Summits
11. Strengthening of Public Participation with sister Departments.
12. One ICOP: IZIMBISO for Municipality
13. Walkabouts in Wards : Monitoring and Evaluation of Projects
14. Assessment of Functionality of Wards : Assessment

2014/2015

1. Calendar of Ward Committee meetings and Programs
2. Training and Development Programme :Ward Committees
3. Community Ward Based Planning for wards: Reviews
4. Ward profiling
5. Service level Agreements to be develop between Ward and Community and Municipality  
Monitoring and Evaluation Toolkit to be develop per ward.
6. Ward Plans per ward:-Reviews
7. Events Program developed per ward
8. Community Feedback Programme
9. Community Survey per ward: Service Deliver issues.
10. Inter Government Service Delivery Summits
11. Strengthening of Public Participation with sister Departments.
12. One ICOP: IZIMBISO for Municipality
13. Walkabouts in Wards : Monitoring and Evaluation of Projects
14. Assessment of Functionality of Wards.



**Table 5.45: General Administration: Scorecard 2010/11**

KEY PERFORMANCE AREAS	BASELINE 2009/2010	TARGET 2010/11	ACTUAL 2010/11	REASON FOR VARIANCE (Negative)	CORRECTIVE ACTION
Number of training Sessions provided to ward committees	5	5	3	Term of office of Ward Councillors expired April 2011. Will commence in September until December 2011	
Number of Ward Committee members trained	90	120	40	Term of office of Ward Councillors expired April 2011. Will commence in September until December 2011	
Number of Ward committee meetings facilitated	110	110	84	Term of office of ward Councillor expired April 2011. New Ward Committees will be established as from July till September 2011.	
Number of notices circulated to ward committees members	110	110	100		
Number of ward committee members attending ward committee meetings	709	810	586	Term of office of Ward Councillors expired April 2011. No Meetings held in December 2010	
Number of wards with ward based budgets	10	10	10		
Number of wards with ward based priorities	10	10	10		
Number of Mayoral Imbizo: Budget	10	10	10		
Number of attendees at Budget Imbizo	243		291		
Number of IDP Consultative meetings	10	10	10		
Number of attendees at IDP Consultative meetings					
Completion of Household Survey by 30 June 2011	9313		9313		
Number of Complaints received from the public	139		178		

**GENERAL ADMINISTRATION: INTERGOVERNMENTAL RELATIONS**

Co-ordinating and administrative assistance were given to under-mentioned inter governmental activities in terms of improving service delivery.

- Home Affairs: ID Distribution Campaign, October 2010
- Attending of all Community Liaison Workers and ward committee members of a Tourism information session during February 2011.
- Assistance and gather information for Disabled persons in the Langeberg Municipality.
- Assistance with Clean and Green Project-Cape Winelands District Municipality.
- Assistance and administrative support with the ID Campaign in all towns during February 2011.

A workshop on the research finding dissemination workshop was attended by the Manager General Administration and Ward Committee Coordinator in February 2011 to discuss the results of the survey and recommendations of the study.

Attending of a Provincial Public Participation Consultative Workshop by the Manager General Administration and Ward Committee Coordinator in May 2011 to discuss the readiness of Municipalities with regard to the Ward Committee establishment process.

The ward Committee Coordinator was invited by the Department of Community to address the Senior Staff of the Department on the ward committee system because the Department of Community Safety wants to expand the Neighbourhood Watch Programme in line with the ward committee system.

**CLIENT SERVICES**

This section is responsible for managing and co-ordinating the 24-Hour Emergency and Customer Call Centre within the Langeberg Municipality.

The aim is to improve on customer loyalty and customer satisfaction within the Langeberg Municipality by placing all people at the centre of development.

Another initiative is to drive and underpin the development and maintaining of a Customer Care and Complaints Management System which form part of the corporate governance principles and The Batho Pele White Paper for transforming Public Service Delivery.

The department is responsible for:

- Rendering of a 24 Hour enquiry and complaints service to the community of the Langeberg Municipality in terms of an information desk through the Customer Care Management (CCM) System.
- Managing stakeholder relations for effective and smooth service delivery.

**Priorities: 2010/2011**

- To highlight and strengthen the importance of operating a customer care information desk in all five towns within the Langeberg Municipal area.
- To ensure smooth and effective functioning of the 24-Hour Call Centre.
- To ensure that effective and efficient client handling systems are in place.
- To ensure effective record keeping of complaints.
- The role out and managing of the Batho Pele program

### Challenges: 2010/2011

- All complaints not recorded on complaints management system.
- Increase in number of complaints
- Adherence to complaint handling procedures
- Continuous staff training
- Generating of reports

### Performance 2010/2011

- Moved to newly renovated building.
- Implementation of Telephone Recording System
- Connection of new Telephone System
- Compilation of Batho Pele Strategic Plan
- Upgrading of existing complaint management system

### Future Plans: 2011/12

In the next financial year the department will focus on the following areas:

- Establishment of telephone cubicles at reception areas for purposes of complaint reporting.

### CUSTOMER CARE MANAGEMENT ANALYSIS

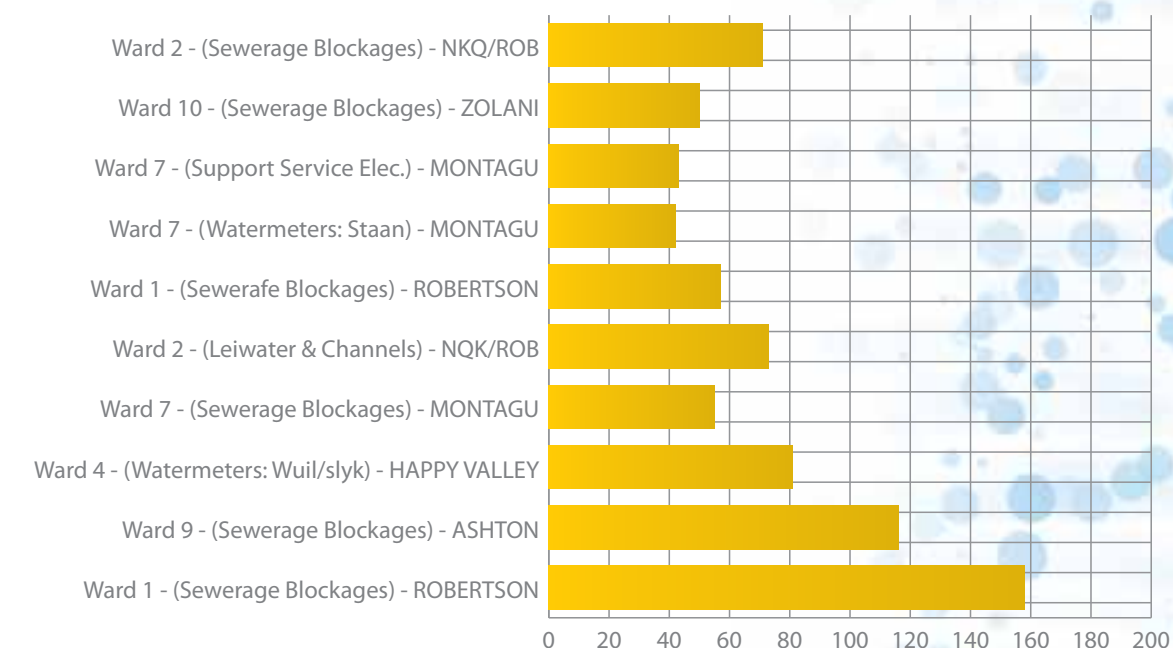
The customer care department conducted ongoing monthly surveys from which it draws a list of the top ten complaints per department, ward and town. Based on the identification of the top ten complaints per month, it provides an indication where problems occur in the different departments of the Municipality. An analysis of complaints per month is sent to the relevant managers of departments.

The analysis of complaints per month is also forwarded to the Ward Committee Co-ordinator and the information provided assists ward committees during their respective ward based planning processes and relevant ward committee activities.

**Table 5.46: Summary of total number of complaints received via CCM-System**

TOTAL NUMBER OF COMPLAINTS RECEIVED PER FY				
2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
155	6 135	5 497	7 206	8 913

**Table 5.47: Top 10 Complaints: Analysis: FY: 2010/2011**



**Table 5.48**

01/07/2010 - 30/06/2011				
NATURE OF COMPLAINT	WARD	TOWN/ SUBURB	TOTAL COMPLAINTS RECEIVED	%
Sewerage Blockages	6	Ashbury	150	2.2%
Farms (Electrical)	Rural	Robertson	163	2.4%
Sewerage Blockages	7	Montagu	165	2.4%
Power Outages	6	Montagu	170	2.5%
Sewerage Blockages	3	Droëheuwel	187	2.8%
Power Outages	2	Nkqubela	211	3.1%
Sewerage Blockages	4	Happy Valley	237	3.5%
Sewerage Blockages	2	Nkqubela	281	4.1%
Sewerage Blockages	1	Robertson	288	4.2%
Sewerage Blockages	9	Ashton	320	4.7%
GRAND TOTAL COMPLAINTS RECEIVED:			2 172	

## LABOUR RELATIONS

The function of this department is to manage labour relations matters and to deal with occupational health and safety in the municipality.

With regard to the management of discipline all misconduct cases were thoroughly investigated and dealt with in a procedurally and substantively fair manner, as all employees were duly charged with misconduct and issued with an appropriate sanction, including dismissal.

All appeals lodged against the finding and sanction of the disciplinary proceedings were dealt with accordingly, whilst disputes concerning unfair dismissal and unfair labour practice lodged with the Bargaining Council had been withdrawn by the employees concerned after the conciliation process. Complaints/grievances received from employees were addressed amicably, as no complaint/grievance was referred in terms of the procedure to the Bargaining Council to be dealt with externally.

The department therefore maintains a high success rate with regard to the handling of disciplinary cases, appeals, grievances and subsequent disputes emanating therefrom. The department is also promoting and maintaining sound labour relations by rendering appropriate advice/guidance on labour relations matters to managers, supervisors and employees, as well as consulting with unions on matters of mutual interest, when required.

**Table 5.49**

Labour Relations issue	Number of Cases: 2009/10	Number of Cases: 2010/11
Misconduct	82	89
Dismissals	13	6
Suspensions	9	4
Total Cases	104	109

Furthermore, the department is responsible to ensure that operations and activities within the municipality comply with the provisions of the Occupational Health and Safety Act, 1993, and the different regulations promulgated in terms of the said Act. To this end health and safety committee meetings are held, safety inspections conducted in the various working areas within the municipality and safety procedures developed and implemented, where necessary. In order to minimise incidents in the workplace the department will perform Hazard Identification and Risk Assessment (HIRA), ensure that incident/accident investigations are conducted promptly and that safety rules, procedures and standards are enforced to prevent the reoccurrence of incidents in the workplace.

Incidents/accidents recorded and/or investigated during 2010/11 are as follows:

**Table 5.50**

Directorate	Number of cases
Infrastructure Development	23
Community Services	44
Chief Financial Officer	3
Corporate Services	0
Office of the Municipal Manager	0
Total: 2010/11	70
Total: 2009/10	56
Total: 2008/09	53

## PROPERTY MANAGEMENT DEPARTMENT

The main responsibility of the department is to manage and administer the municipal property portfolio, leases and alienation of municipal property. Moreover the department is responsible for maintaining, upgrading, and repair of Municipal offices and the leasing of two municipal halls located within municipal offices. This department also manages and provides internal beverage service and general office cleaning service to municipal offices.

The vision and objectives of this department are:

1. To ensure that Council's property portfolio is managed and administered in an effective and efficient manner
2. To ensure that the lease registers are maintained and up to date
3. To ensure that proper record is kept of all the erven that are alienated
4. To ensure that all requests for the leasing and/or alienation of municipal property are dealt with within reasonable timeframes and in accordance with policies and procedure
5. To ensure that all municipal buildings are maintained within available budget
6. To ensure that the municipal offices and two halls within municipal offices are properly maintained and leased out in terms of the policy applicable thereto
7. To ensure that the municipal offices are in a clean and hygienic state

The department manages approximately 93 lease agreements, generating a rental income of R533 557.01 compared to R569 279.91 in 2009/10 from those leases. In addition, the Department disposes of property no longer required by the municipality, through competitive public tendering processes. 55 reports were submitted to the Mayoral Committee and Council regarding the alienation and /or leasing of Municipal properties. During 2010/11, approximately, 16 Contracts of sale were signed for the alienation of erven. An Administration of Immoveable Property Policy was also adopted by Council during March 2011.

### Priorities: 2010/2011

Some of the key priorities included the following:

- To ensure that all lease agreements and contracts of sale are in line with applicable legislation and Council's policy



- To ensure that all municipal properties and land is identified and listed
- To ensure that there are legal lease agreements for all municipal properties and land being utilized by private individuals / groups / organizations
- To ensure that all municipal buildings are well maintained to comply to relevant legislation and policies

### Challenges

- Unskilled personnel
- Shortages of funding

**Table 5.51: Property Management: Performance Scorecard 2010/2011**

KEY PERFORMANCE AREAS / KPI	BASELINE 2009/2010	TARGET 2010/11	ACTUAL 2010/2011	Reason for Deviation
Capital budget spent	99.49%	95%	98.5%	
Operating budget spent	106.7%	95%	90%	Although the actual spending on the Opex is below the target, this is due to good financial management principles applied and has all the work planned been properly executed.
Number of possible municipal properties identified through property audit	Residential erven – 76 Business erven – 8 Industrial – 4 Agricultural – 17	N/A	N/A	
Number of erven alienated by way of tender		N/A	36	
Number of contracts of sale issued	N/A	N/A	11	
Number of contracts of sale signed	N/A	N/A	16	
Number of erven transferred		N/A	13	
Number of buildings upgraded	11	N/A	93	
Number of lease agreements managed	70	N/A	93	
Number of lease agreements issued	50	N/A	40	
Number of lease agreements signed	29	N/A	34	
Rand value of income generated lease agreements	R569 279.91	N/A	R533 557.01	
Number of office equipment requested	109	N/A	35	
Percentage expenditure on office equipment	99.13	95%	96.95	
Number of reports submitted to Council	114	N/A	55	



# REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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## REPORT OF THE AUDIT/AUDIT PERFORMANCE COMMITTEE

The Audit Committee reports in terms of its responsibilities as prescribed by section 166 of the MFMA. The members of the Audit/Audit Performance Committee of the Langeberg Municipality for the 2010/2011 financial year are :

- Dr BP Jansen van Rensburg (Chairperson)
- Mr P Dreyer
- Mr M Mostert

The Audit Committee met on the following dates during the 2010/2011 financial year:

- 25 August 2010
- 02 December 2010
- 24 March 2011
- 23 June 2011
- According to the Internal Audit Plan and the execution thereof, we conclude that the internal control system is efficient and effective. During the course of the year the Chairperson evaluated the Internal Audit section which indicated similarly.
- Up to date no in depth risk analysis has been made by management. This renders a proper assessment of the risk areas to which the Municipality is exposed impossible for the Audit Committee.

Apart from:

- failure of the accounting officer to submit statements within two months after end of the financial year (section 126(2)(b), and
- the need for the external auditors to correct material misstatements, there were no other non-compliances with applicable laws and regulations brought to the attention of the Audit Committee.

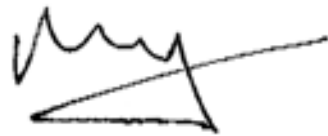


## EVALUATION OF ANNUAL FINANCIAL STATEMENTS FOR THE 2011/2012 FINANCIAL YEAR

The Audit Committee has:

- Reviewed and discussed with the Accounting Officer the Audited Annual Financial Statements to be included in the Annual Report;
- Reviewed and discussed the Auditor-General's management letter and appropriate responses from management;
- Reviewed the necessary adjustments from the audit.

The Audit Committee agrees with and accepts the conclusions of the Auditor-General with respect to the adequacy and correctness of the financial information provided by Management. We therefore recommend that the Audited Financial Statements, together with the Management Report of the Auditor-General be accepted by the Council of the Langeberg Municipality.



Chairperson Audit Committee.  
Date 23 January 2012.

# REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON LANGEBERG MUNICIPALITY

## A. REPORT ON THE FINANCIAL STATEMENTS

### Introduction

1. I have audited the accompanying financial statements of the Langeberg Municipality, which comprise the statement of financial position as at 30 June 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 1 to 66.

### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practices (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2010 (Act No. 1 of 2010) (DoRA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



### Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Langeberg Municipality as at 30 June 2011, and its financial performance and cash flows for the year then ended in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

### Emphasis of matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters:

### Restatement of corresponding figures

9. As disclosed in note 38 to the financial statements, the corresponding figures for 30 June 2010 have been restated as a result of errors discovered during the 2010-11 financial year in the financial statements of Langeberg Municipality at, and for the year ended, 30 June 2010.

### Additional matters

10. I draw attention to the matters below. My opinion is not modified in respect of these matters:

### Material inconsistencies in other information included in the annual report

11. No material inconsistencies between the draft annual report and financial statements were identified. The final printer's proof of the annual report will be reviewed and any material inconsistencies then identified will be communicated to management. Should the inconsistencies not be corrected, it may result in the matter being included in the audit report.

### Unaudited supplementary schedules

12. The supplementary information set out on pages 67 to 70 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

## B. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in Government Gazette 33872 of 15 December 2010, I include below my findings on the annual performance report as set out on pages 125 to 199 and material non-compliance with laws and regulations applicable to the municipality.

### Predetermined objectives

14. There are no material findings on the annual performance report.

### Compliance with laws and regulations

### Annual financial statements, performance and annual report

15. The accounting officer did not submit the annual financial statements within two months after the end of the financial year for auditing, as required by section 126(2)(b) of the Municipal Finance Management Act.
16. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the Municipal Finance Management Act. Material misstatements identified by the auditors were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.

### Strategic planning and performance management

17. The accounting officer of the municipality did not submit the results of the assessment on the performance of the municipality during the first half of the financial year to the mayor of the municipality, the National Treasury, and the provincial treasury by 25 January 2011 as required by section 72(1)(b) of the Municipal Finance Management Act.

### Budgets

18. The municipality incurred expenditure in excess of the limits of the amounts provided for in the votes in the approved operating budget, in contravention of section 15 of the Municipal Finance Management Act.
19. The accounting officer did not always submit the monthly budget statements to the mayor and the relevant provincial treasury within 10 days after the end of each month, as required by section 71(1) of the Municipal Finance Management Act.

### Audit Committees

20. The audit committee did not advise the council of the municipality on the adequacy, reliability and accuracy of financial reporting and information as required by section 166(2)(a)(iv) of the Municipal Finance Management Act.
21. The audit committee did not advise the municipal council on matters relating to compliance with the Municipal Finance Management Act, the Division of Revenue Act and other applicable legislation as required by section 166(2)(a) of the Municipal Finance Management Act.

### Expenditure management

22. The accounting officer did not take all reasonable steps to prevent unauthorised expenditure and irregular expenditure, as disclosed in note 44 to the financial statements, as required by section 62(1)(d) of the MFMA.

### Procurement and contract management

23. Goods and services were procured through providers whose principal shareholders are persons in service of other state institutions in contravention of the requirements of SCM regulation 44. Furthermore the provider failed to declare that he/she is in the service of the state as required by SCM regulation 13(c).

## C. INTERNAL CONTROL

24. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in Government Gazette 33872 of 15 December 2010, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

### Leadership

25. The accounting officer did not establish procedures to ensure compliance with laws and regulations.

### Financial and performance management

26. The management of the municipality did not review and monitor compliance with applicable laws and regulations.

## D. OTHER REPORTS

### Investigations in progress

27. An investigation is ongoing on allegations of non-compliance with supply chain management regulations for the construction of Cogmanskloof Pavilion.
28. An investigation is ongoing on allegations of non-compliance with supply chain management regulations for the construction of Montagu Foortbridge.

### Investigations completed during the financial year

29. A forensic investigation was concluded on allegations of an unexplained addition of seven persons on the list for housing subsidies. The investigation resulted in disciplinary steps taken against the responsible officials, however, no criminal proceedings were instituted.

Cape Town  
30 November 2010



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## MANAGEMENT RESPONSE TO AUDITOR GENERAL'S AUDIT REPORT FINDINGS (2010/2011)

Paragraph	Audit Finding	Management Action Plan	Target Date	Responsible Official
COMPLIANCE WITH LAWS AND REGULATIONS: MFMA				
15	The accounting officer did not submit the annual financial statements within two months after the end of the financial year for auditing, as required by section 126 (2)(b) of the Municipal Finance Management Act.	The process for compilation of the 2011/2012 financial statements will be documented and monitored to ensure that the financial statements are submitted timely to the Auditor-General.	31/08/2012	CFO
16	The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the Municipal Finance Management Act. Material misstatements identified by the auditors were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.	The Manager: Budget and Supporting Services has been appointed as from 1 November 2011 and will compile the 2011/2012 financial statements according to the necessary requirements while a external party will review the financial statements before it will be provided to the audit committee for a final review. Thereafter it will be provided to the Auditor-General.	31/08/2012	CFO
17	The accounting officer of the municipality did not submit the results of the assessment on the performance of the municipality during the first half of the financial year to the mayor of the municipality, the National Treasury, and the provincial treasury by 25 January 2011 as required by section 72 (1)(b) of the Municipal Finance Management Act.	The assessments reports will be provided to the mayor of the municipality, the National Treasury, and the provincial treasury as required.	25/01/2012	CFO MM
18	The municipality incurred expenditure in excess of the limits of the amounts provided for in the votes in the approved operating budget, in contravention of section 15 of the Municipal Finance Management Act.	The housing top structures expenditure, which did not meet the definition of an asset, being reclassified as operating expenditure, which caused the overspending of the Housing Vote. The necessary adjustments will be made in adjustment budget for 2011/2012 to ensure compliance in this regards	February 2012	CFO



19	The accounting officer did not always submit the monthly budget statements to the mayor and the relevant provincial treasury within 10 days after the end of each month, as required by section 71 (1) of the Municipal Finance Management Act.	Although all reports was submitted, was 3 reports submitted late. The Manager: Budget and Support Services will ensure that reports are provided timely as from December 2012.	Monthly as from December 2012	CFO Manager: Budget + Support Services
20	The audit committee did not advise the council of the municipality on the adequacy, reliability and accuracy of financial reporting and information as required by section 166 (2) (a) (iv) of the Municipal Finance Management Act.	The audit committee will advise the council of the municipality in future on the adequacy, reliability and accuracy of financial reporting and information as required.	Quarterly	MM
21	The audit committee did not advise the municipal council on matters relating to compliance with the Municipal Finance Management Act. The Division of Revenue Act and other applicable legislation as required by section 166 (2) (a) of the Municipal Finance Management Act.	The audit committee will in future advise the municipal council on matters relating to compliance with applicable legislation	Quarterly	MM
22	The accounting officer did not take all reasonable steps to prevent unauthorised expenditure and irregular expenditure, as disclosed in note 44 to the financial statements, as required by section 62 (1) (d) of the MFMA.	The necessary controls has been put in place, where needed.	February 2012	MM CFO
23	Goods and services were procured through providers whose principal shareholders are persons in service of other state institutions in contravention of the requirements of SCM regulation 44. Furthermore the provider failed to declare that he/she is in the service of the state as required by SCM regulation 13(c).	The municipality will, with all possible means to its disposal, try to ensure that no providers whose principal shareholders are persons in service of other state institutions are procured from. Control measures has been put in place to ensure, that declarations are scrutinized before tenders are evaluated / awarded	February 2012	MM CFO
25	The accounting officer did not establish procedures to ensure compliance with laws and regulations.	The necessary procedures has been put in place, where needed.	February 2012	MM CFO
26	The management of the municipality did not review and monitor compliance with applicable laws and regulations	The areas of non-compliance has been addressed and issues will be monitored.	February 2012	MM CFO





# NOTES

[illegible]